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The New Reich of Lyndon LaRouche

How the Pentagon Seduces Professors

POLAND
EYEWITNESS TO TERROR

by Sue Masterman

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What Reagan Should Know . . . But Doesn't

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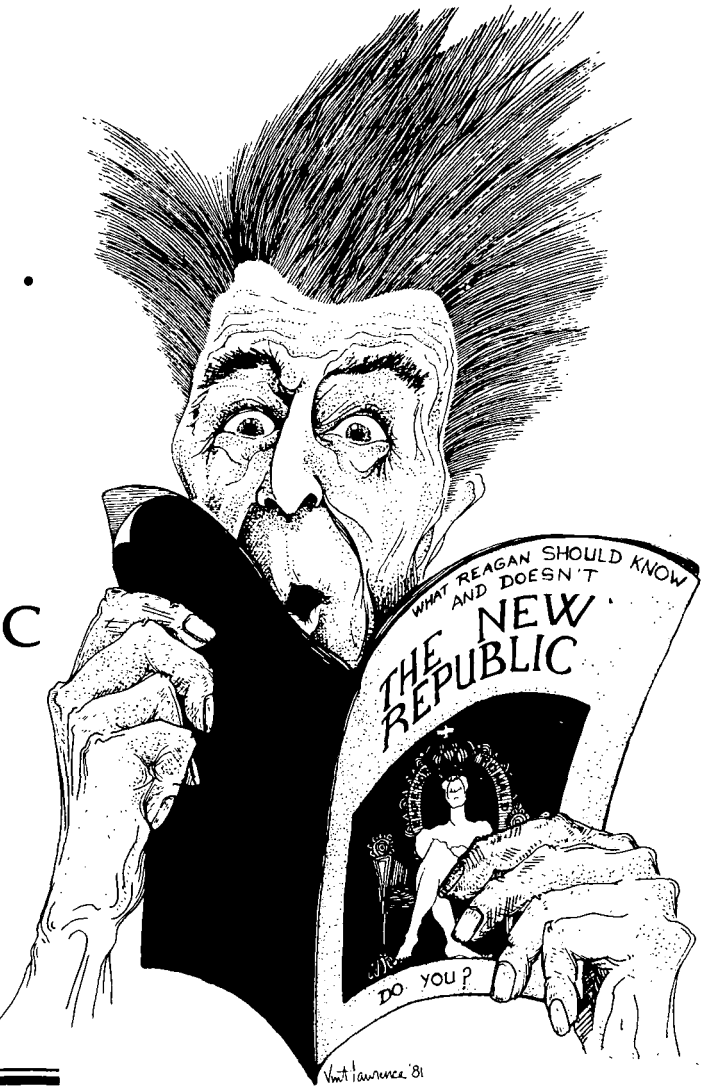

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FEBRUARY 15, 1982

Busting Antitrust

MICHAEL McMENAMIN **p. 16**

Antitrust isn't about to be broken up, but the IBM and AT&T settlements signal that the news that antitrust throttles competition and fleeces consumers has finally crossed the Potomac.

Poland: Eyewitness to Terror

SUE MASTERMAN **p. 22**

In the freeze of winter Poles fought back with pickaxes and sledgehammers as the Polish military, aided by their Soviet comrades, sprung their internal blitzkrieg.

COLUMNS & REVIEWS

Inquiries ..... **p. 3**

Warsaw winter; It's Reagan's draft now.

Letters ..... **p. 6**

Politics ..... **p. 8 & p. 11**

Lyndon LaRouche's goon squads. Revolutionary left meets lunatic right as LaRouchies preach anti-Semitism, Big Government, mother repression, and pipe wielding. *(ALAN CRAWFORD)*

Bonzo's bedtime reading. Funny thing about the writers Reagan says shaped his thinking—they thought armies should stay at home and that morality shouldn't be legislated. *(SHELDON RICHMAN)*

Corporate State ..... **p. 13**

The warriors of academe. The Pentagon has no plans to draft the top universities. Instead, it has bought them up with fat contracts. *(WILLIAM ROSENAU)*

Books ..... **p. 32**

Roy A. Childs, Jr., on *El Salvador: Central America in the New Cold War*, edited by Marvin E. Gettleman et al.; John Gordon on *A Flag for Sunrise*, by Robert Stone, and *The Safety Net*, by Heinrich Böll; Samuel L. Blumenfeld on *The Graves of Academe*, by Richard Mitchell.

Film ..... **p. 38**

Stephen Harvey on *Reds*, directed by Warren Beatty.

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A WORD FROM THE PUBLISHER

ONE OF OUR PRIMARY purposes is to spotlight the contradictions between liberty and the power of the state, and governments recently have been all too ready to provide targets for the spotlight. In this issue, Sue Masterman's eyewitness account of the crackdown in Poland adds new scenes to the grim drama that the world has witnessed. Less chilling but equally revealing is our story on U.S. antitrust policy, demonstrating that the people it's most likely to hurt are American consumers.

Social theorist Albert Jay Nock once wrote: "Taking the State wherever found, striking into its history at any point, one sees no way to differentiate the activities of its founders, administrators, and beneficiaries from those of a professional-criminal class." A radical, extreme, and rudely discomforting viewpoint, to be sure; but one which, given world events of the past few months, is increasingly difficult to counter.

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RES PUBLICA

Why not the worst?

■ New York State's Liberal Party, which two years ago called Daniel Patrick Moynihan "totally devoid of honesty and integrity," is preparing to endorse him for re-election next year. . . .

"Our people are realists," said the Rev. Donald S. Harrington, the party's state chairman. "We don't want to get someone who's worse."

— New York Times, Dec. 6, 1981

But they're still eligible for government jobs

■ The Professional Air Traffic Organization illegally fired four of its employees who tried to form a staff union in 1980, a National Labor Relations Board judge has ruled.

NLRB administrative law judge Bruce C. Nasdor said the PATCO staffers "were terminated solely for their union and concerted activities" and should be rehired and awarded back pay.

But James Lyons, James Miller, Fran Feldman and Steven Hubscher—the plaintiffs—have no PATCO jobs to return to, largely because of government action stemming from the union's illegal nationwide strike that began Aug. 3.

—Washington Post, Jan. 4, 1982

Deficit spenders

■ More than 14 months after the last presidential election, neither the winning Reagan-Bush committee nor the losing Carter-Mondale organization has finished paying its bills. Some of the businesses that provided campaign services to the Democrats may never get their money.

The Federal Election Commission, which oversees the use of public funds in campaigns, reported in early January that the Republican group owes the U.S. Treasury about $250,000, while the losers' debt to the government totals roughly $25,000.

—U.S. News & World Report, Jan. 18, 1982

The Laffer curve at work

■ Members of Congress, fearing voter reaction if they gave themselves a pay raise, found another way to increase their income this year: They lowered their taxes and doubled the amount they could get for making speeches. . . .

—New York Times, Dec. 22, 1981

Prisoner of love

■ Prison officials in Lompoc, Calif., will not allow convicted spy Andrew Daulton Lee to get married tomorrow because he could not demonstrate a "compelling reason," a prison spokesman said yesterday.

"Just being in love is not a compelling reason," said Chuck LaRoe, a spokesman for the maximum-security federal penitentiary here.

—Washington Post, Jan. 1, 1982

Let your fingers do the running

■ To find out what to do in case of nuclear attack, residents of northern Maine will be able to let their fingers do the walking. Telephone books now being distributed in northern Aroostook County and the town of Houlton include four pages telling how to find shelter and where to flee from such high-risk areas as Loring Air Force Base in Limestone if a nuclear attack or serious international crisis occurs.

In event of an evacuation, the books advise people to store their valuables, close blinds and windows to prevent fire from a heat wave following a nuclear blast—and to lock the house before they leave.

Although state officials say the Maine phone books are among the first in the nation to contain nuclear emergency advice, putting civil defense advice in phone books is not new, according to Charles Sharpe, Maine's civil emergency preparedness director. "European countries routinely have done so," he said.

—New York Times, Dec. 14, 1981

But will it sharpen razor blades?

■ The Great Pyramid of Cheops will soon have a mini-twin, the Great Pyramid of Bedford, Ind. According to *Omni*, the Indiana Limestone Tourist and Demonstration Center has decided that such a structure is just the thing to attract tourists to the site of the two biggest limestone quarries in the country.

Apparently, Uncle Sam agrees. Some $700,000 has been granted by the Economic Development Administration to help defray the total cost of $3 million.

—San Francisco Chronicle, Dec. 13, 1981

To each according to his need

■ A Soviet official was quoted as saying that the nation suffers "huge losses" of gasoline every year because of carelessness and theft. . . .

"Nation-wide, the squandering of state gasoline results in huge losses," the official, Vyacheslav F. Zhurko, said. "Here, one liter; there, 10 liters. And as a result, a huge figure."

Mr. Zhurko said it was common practice for workers using gasoline, and for the administrators who distribute that gas, to falsify the amount of fuel used on the job and to sell the difference for personal profit.

—Wall Street Journal, Jan. 6, 1982

Like holding my breath till I turn blue

■ Former president Jimmy Carter says his presidential library will be built in Atlanta—if the city will also build a four-lane parkway leading to it. . . .

"I don't want to make a threat, but I've been invited to go to several universities outside of Georgia," Carter said. "My strong preference is to build the library in Georgia, in east Atlanta, but if there is a legal or other impediment, I'll have to look for other alternatives."

—Washington Post, Dec. 16, 1981

Or we could eat them

■ To reduce the delayed effect of radiation cancer deaths, survivors of a nuclear attack should send old people, instead of the young, for food and water, a government study has recommended.

—Washington Post, Dec. 3, 1981

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The crackdown finally comes

Warsaw winter

"THE STRUGGLE HAS ONLY BEGUN," predicted Polish Solidarity leader Lech Walesa on December 11, 1980. Two days later General Wojciech Jaruzelski, the Polish Pinochet, declared martial law, imprisoned hundreds of dissident leaders, banned strikes and demonstrations, and imposed total censorship. Helmeted riot police stormed Solidarity headquarters while special paramilitary squads cordoned off factories and mines. Within weeks, more than 5000 people had been arrested and scores killed in the violent repression that ended Poland's tentative gropings toward liberty. As one Warsaw resident remarked a few days into the crisis, "The government has declared war on its own people."

The Polish crackdown had long been expected, though it was no less tragic for that. It was foreshadowed by a year of Soviet press slanders, denunciations of "counterrevolutionaries" and "saboteurs," troop mobilizations, war exercises, and naked ultimatums designed to force the Polish government to put an end to Solidarity. As the Polish ambassador to Japan, a recent defector, put it, "The real screenplayers and conductors of the drama sit behind the Kremlin walls."

But the Polish Communist Party, and its handpicked military leadership, was hardly an innocent victim of Soviet pressure. Having laid the foundation for the crisis in the first place through years of economic mismanagement and political oppression, it fought a determined rearguard action against implementing even the reforms officially conceded to Solidarity. The party in Poland, for its own sake as much as Russia's, could not afford to admit that the "workers' state" had brought misery and enslavement to the working class. Solidarity's call for an independent union was a blow at the very heart of the Communist state, which demands control of *all* the means of production—including the workers. Solidarity's economic demands were thus ultimately as political as its demands for freedom of expression and the release of political prisoners. Lenin long ago condemned independent unions as "either a bourgeois provocation of the crudest sort, or an extreme stupidity." By Communist standards, therefore, Solidarity was objectively counterrevolutionary. And as General Jaruzelski declared in December, "The party will not allow itself to be dislodged from anywhere."

Solidarity's own economic program didn't help matters, to be sure. It resisted steps to salvage Poland's desperate fiscal crisis by cutting government subsidies; indeed, the union had its birth in the strikes of mid-1980 that were protests against the lifting of subsidies on meat. Solidarity never resolved the contradiction of demanding hefty pay raises and shorter hours, more paid leave and more holidays in the midst of a deteriorating economy. Walesa, on winning concessions from the government in the fall of 1980, warned that "everyone has to go to work, and work hard," but his words were lost in the general euphoria. Production fell 15 percent in 1981 even as wages rose 27 percent, a situation primed for disaster. Solidarity offered no viable solutions. Its demand for worker self-management drew sympathy from socialist romantics in the West, but would have fared no better in Poland than in Yugoslavia, where the incompetence of workers' councils and the continuing interference of the state have produced rampant inflation and mass unemployment. Only a complete transformation to a private, market economy could have turned Poland around—and this most members of Solidarity could not envision.

Still, Solidarity's struggle—and for a while, its successes—gave rise to the exhilarating hope that Communist power could be challenged by more liberal forces. In what other Communist countries could one hear speakers denouncing the "totalitarian system in our country," or see students wearing T-shirts that read, "Antisocialist Element." Created almost spontaneously by millions of Polish workers, the Solidarity movement represented the culmination of years of grievances forged into a common determination that things had to change. Polish workers, even after a lifetime of toil, could not afford a modest car or a decent apartment. The state could not even assure them the basic necessities of life; before the strikes began, Poles spent an average of two hours a day in line just to buy food. Private farmers, the backbone of the economy, were so cramped by discriminatory policies that Poland, once an exporter of food, had to spend billions in scarce foreign exchange to import grain from the West. Solidarity's strikes made things worse—much worse—but the state left it no option. Poland is a one-company town; going against the boss was guaranteed to create chaos.

The Polish workers also knew that the Communist bureaucracy, ruling in their name, was growing fat off their labor. While the economy stagnated, the leadership exacted its tribute. Symptomatic of the ruling class's contempt for workers was the case of the former chairman of the Committee on Radio and Television, a protégé of ex-Premier Edward Gierek, who was finally charged with twenty-one counts of extortion, embezzlement, and moral depravity. In his years of serving in the vanguard of the working class, he acquired a forty-two bedroom palace, numerous villas with prostitutes in attendance, a fleet of private airplanes and cars, and huge foreign bank accounts. In its all too brief heyday, Solidarity forced the state to bring many such culprits to justice. A growing number of workers, however, began to realize that the problem didn't lie just with the overtly corrupt; the entire party was a sort of leech on the productive citizenry. As ninety-three-year-old Edward Lipinski, the founder of the Committee for Social Self-Defense, remarked in September: "The socialism that was created was a socialism of mismanagement and inefficiency that brought about an economic catas-

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trophe unequaled in 200 years. It is a socialism of prisons, censorship, and police. This socialism has been destroying us for thirty-odd years as it has been destroying others."

The tragedy of the Polish situation has produced anguish in the West, where there is abundant moral sympathy but scant means to rectify things. This anguish, not surprisingly, has left the United States and Western Europe confused and divided. Following the coup, NATO foreign ministers initially expressed only "concern," while, ironically, the French Socialist government more forthrightly denounced the imposition of martial law, and the Italian Communist Party declared that "every aspect of the way the government has chosen to handle a political problem must be condemned." (The pro-Soviet French Communist Party, predictably, blamed everything on Solidarity.) The Reagan administration, after a tentative few days, began its usual round of hair-pulling over the inaction of its European allies. Most troubling of all for Washington was West Germany, where prominent members of the ruling Social Democratic Party preferred to condemn American "atrocities" abroad. Theo Summer, an influential writer for *Die Zeit* (and occasional *Newsweek* columnist), advised that "although one need not approve of General Jaruzelski's military coup d'état, one has to wish him success."

The timid German reaction, however questionable morally, was perhaps explained by the enormous exposure of German banks in Poland and the proximity of Germany to Soviet military power. Germany's caution at least had a practical side to it. As Helmut Schmidt well knows, Germany, the United States, and NATO can do nothing to stop the Soviets, or even the Polish military, from suppressing liberation movements in the Eastern bloc. NATO cannot free Poland from Soviet domination short of world war. The West may bleed with Poland, but it knows that its security is not immediately threatened by Eastern-bloc conflicts.

President Reagan knows that, too, which may explain why his sanctions against Poland and the USSR have so far been largely symbolic. His moves, insignificant enough to have no effect whatever on Soviet policy, will probably hurt us more than they do the Soviets. Europe and Japan will surely sell them any equipment we try to embargo. And if the administration denies the Soviets long-term grain contracts, they will go elsewhere—just as they did during the much more serious Carter grain embargo imposed in the wake of the Afghanistan invasion.

If sanctions are essentially self-defeating, so is foreign aid, although the West Germans and some liberal commentators have pled with the administration not to cut the Poles off. These pleas, we trust, will fall on deaf ears. The Polish people have been crushed by a Soviet-backed military regime. Any aid that goes to Poland now will only bolster that regime and strengthen its grip. Three days after the coup, the Polish junta had the gall to ask Western creditors for another $350 million loan to help pay the interest on past loans that were coming due at the end of the year. Western banks and governments wisely declined. Poland came up with the money anyway—probably thanks to the Soviets. Poland's economic recovery is now a Soviet responsibility—one that must be added to its growing list of socialist dependents: Cuba, Vietnam, Afghanistan, Ethiopia, and all of Eastern Europe. Let the Soviet Union pay the price of its folly, not the American taxpayer.

The greatest mistake now would be to let militant enthusiasm for the struggle of the Polish people overwhelm common sense and reason. Already the calls are mounting for stiffer embargoes against the Soviets—calls from quarters as diverse as the AFL-CIO, the *New Republic,* and William Buckley. George Will, normally an acolyte of Ronald Reagan, cries that "a crisis of American conservatism is at hand. This Administration evidently loves commerce more than it loathes communism. . . . Conservatism that is so reverent about free trade and so unwilling to infringe private freedoms for public purposes is incompatible with the avowed aims of conservative foreign policy." Will sees the West's inaction on Poland as evidence of a profound crisis of spirit. But a West willing to sacrifice the ideals of liberty that are its defining characteristic, a West willing to abandon "private freedoms" for a "conservative foreign policy," would have given up the essential battle before the Soviets had fired a shot.

William Buckley, in a column complementing Will's, similarly decries the immobility of the West. For Buckley, Poland is a part of the "Western soul," and appeasement there, he claims, would be a rerun of appeasement in 1938. "Our irresolution," he writes, "may prove terminally effective. A century hence the historians may group together Sarajevo-Danzig-Gdansk." But Buckley has it all backwards. If NATO provoked a showdown over Poland, if Gdansk were to join Sarajevo and Danzig, there would be no historians a century from now; the world would be a radioactive ruin.

Contrary to Buckley's wishful thinking, Poland is not—and never has been—part of the West, even in the brief period between the wars when it served as an imaginary buffer against German power. Since World War II the West has had to learn to live with Poland's incorporation into the Soviet bloc. The recent crackdown in Poland, even if it had been led by Soviet tanks, would not have changed the geopolitical balance as did Hitler's armies, first in Czechoslovakia and then in Poland. No, Mr. Buckley, we don't see any reason to be incinerated for Gdansk.

But perhaps something can be salvaged from a tragic situation. If the United States acts responsibly, if we keep our hawks caged, the possibility will remain open that Poland will rediscover the path to liberalization. Even if that hope is dashed, the Polish crackdown should serve as a reminder to a morally confused world of the bankruptcy of communism. If it jars some romantics into questioning whether state power—at its apogee under socialism—can ever be reconciled with liberty, the Polish debacle will not have been a total loss. ❏

His biggest lie

It's Reagan's draft now

RONALD REAGAN DID NOT APPEAR before the cameras and read his script to the nation on January 7. In a move some Reagan watchers considered surprising, the president shunned the lights and the action, and instead dispatched three of his minions to tell the nation he was

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reversing his campaign position and continuing the dangerous and tyrannical system of Selective Service draft registration. Although we were as shocked as anyone at Reagan's reversal of policy, we understood why he didn't make the public announcement himself. Who wants to admit in public that he told a bald, blatant lie to 250 million people?

In May 1980, in a letter to Senator Mark Hatfield, Reagan had written: "Only in the most severe national emergency does the government have a claim to the mandatory services of its young people. In any other time, a draft or draft registration destroys the very values that our society is committed to defending."

Reagan's letter to Hatfield received wide and favorable publicity during the 1980 election year. Several months earlier, Jimmy Carter, bristling with spite and wounded vanity over the Russian invasion of Afghanistan, had instituted draft registration. Carter's registration order was intended as a signal to Russia that our president was not afraid to send young men to die in the streets of Kabul, even if they had to be dragged there at gunpoint. In the face of Carter's obsessive response to the Russians, Reagan's letter worked wonders for his presidential candidacy. It helped soften his image as a trigger-happy Cold Warrior ready to go toe-to-toe with the Soviet Union. The letter conveyed a certain eloquence; it seemed to show that even if Reagan didn't have a perfect grasp of civil liberties, he understood a few basic things about human freedoms—things that seemed to have eluded the allegedly liberal Carter.

Reagan had struck a national nerve. Draft registration revived ugly memories of the Vietnam War, of inequities in a Selective Service System that shipped minorities, the poor, and the uneducated off to die in an evil war—while the children of the privileged and powerful remained safely at home. (It would be interesting to learn how many of the current crop of draft promoters, like James Fallows, were draft dodgers when *their* lives were on the line.) The disillusionment with the draft that spread during the Vietnam War did not end with American military involvement in that country. Conscription is repugnant to individual conscience; it is incompatible with individual freedom. Moreover, it isn't necessary, even by the standards of the most strident militarist. Every branch of the military met its ridiculously inflated recruiting quota last year, and the recruits are the best educated in American military history.

Registration may seem harmless. But there's no need for registration except as a prelude to actual conscription, as the young men who were ordered to register realized. Hundreds and then thousands of them resisted Carter's ploy. By the autumn of 1981, as many as 800,000 young men had refused to register. By 4:30 P.M. on January 7, 1982, when Reagan's three henchmen—Edwin Meese, Caspar Weinberger, and Thomas K. Turnage—made their announcement, more than 1 million had refused to register.

Surely Reagan must have known that reversing fields on the draft would provoke a bloody political fight, in which many of his own supporters—realizing they had been duped by Reagan's phony rhetoric about personal liberty—would turn on him. But Reagan's advisers apparently convinced their boss that the inevitable battle of the draft is only a necessary skirmish, a preliminary to the Big One with the Soviets that they eagerly anticipate. Ominously, in the text they prepared for Reagan, his advisers had the president quote from his famous letter to Senator Hatfield in which he said the draft was acceptable only in a severe national emergency. Then, reflecting the doomsday psychosis that has guided Reagan foreign policy, they said the emergency is at hand: "We live in a dangerous world. In the event of a future threat to national safety, registration could save the United States as much as six weeks in mobilizing emergency manpower."

This much is true: We do live in a dangerous world when men like Weinberger and Meese can use peoples' lives as so many poker chips in a high-stakes game with the Soviets. And Reagan must want badly to up the ante if he's willing to revive Vietnam-era protests and not-so-civil disobedience.

An important thing to remember, though, is that Reagan and his aides can bluster and issue executive proclamations to their hearts' content—but draft registration will be revived only if we let it. In the end, Selective Service rests on voluntary compliance. If young men refuse to register, the system collapses. Already a million have refused, risking up to five years in prison and $10,000 in fines. It is said that the federal court system, operating at maximum capacity, can handle 40,000 cases at a time. Does the Reagan administration plan to wreck the federal court system with a deluge of draft-resistance cases? And if the Reagan administration were prepared to go to the wall and enforce registration, does it really intend to jail an entire generation?

The answer, of course, is no. The Justice Department will selectively enforce draft registration, picking on locally visible antidraft activists, conscientious objectors, and a few hundred randomly chosen young men who simply recognize the draft for the modern variation of slavery it is. The administration will try to stir up jingoism and xenophobia and to turn popular opinion against those who refuse induction. But against a million resisters it cannot succeed.

And a million is just the number who have refused to register so far. We hope it doubles in the next few months. If enough men say, "Hell no, we won't go," Reagan will have to back down. Perhaps he would even be moved to fire some of the idiots who suggested he go ahead with registration—starting with Weinberger, who conservatives swore would bring a skeptical eye to the Pentagon. Cap the Knife, they called him. "I think Cap's going to be a pretty good mark over there," predicted David Stockman in the early days of the administration, promising that the Defense Department would not go unscathed in the budget-cutting process. "He's not a tool of the military-industrial complex. I mean, he hasn't been steeped in its excuses and ideology for years." But Cap is a fast learner, and now he spends his days shrieking for more, more, more. If it wrecks the economy, tough. "There won't be much economy if the nation is not strongly defended," he says. Now mere money is not enough—he must have the lives of our young men.

It is curious that on the afternoon Weinberger and the others delivered Reagan's message to the public, the president's schedule revealed he was inside the Oval Office, with no appointments for the afternoon. In recent months, it has been reported that Reagan entertained himself in the Oval Office by boring his aides with old stories about his years in movies. One can only conjecture how Ronald Reagan amused himself on the afternoon he dispatched advisers to appropriate the liberties of millions of young American men. Perhaps he was reciting lines from his well-remembered war movies of yesteryear as his aides announced the enslavement of Americans several generations younger than the president himself. ❑

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LETTERS

Letters to the editor should be addressed to INQUIRY Magazine, 1320 G Street S.E., Washington, D.C. 20003. The editors reserve the right to edit letters for length when necessary.

Intellectual McCarthyism

WILLIAM SHAWCROSS'S REF- erence to me as having a "record of dedicated support for the communist cause in Indochina" in his review of my new book [Dec. 7 & 21, 1981] arouses my curiosity as well as my ire. I cannot fathom his purpose or his motives, but let me set the record straight. I have always been independent as a scholar on Indochina. I was independent when I was right, and I was independent when I was wrong. I have been no more dedicated to the Communist cause than Shawcross himself, and he knows it.

The Indochina Resource Center, of which I was co-director for nearly three years, was dedicated only to ending the American intervention in Indochina (and, during the year and a half it existed after the war, to restoring normal peacetime relations between the various Indochinese countries and the United States). As for the book on the Khmer Rouge, it was misconceived and written too soon, as I have long been aware. But Shawcross is flogging the wrong horse. More relevant to his review of my book of documents on the Vietnam war was *A Peace Denied: The United States, Vietnam and the Paris Agreement,* which was published in 1976, and which Shawcross praised in his review that same year as an "excellent, scholarly book."

Shawcross evidently has his own reasons for this language, which in my view is nothing less than intellectual McCarthyism. Whatever they may be, he owes me an apology.

GARETH PORTER
Center for International Policy
Washington, D.C.

Cost-benefit morality

WRITING ON THE VIETNAM war experience, William Shawcross observes that "those who were most right about the [Indochina] war have been least honored." As if to prove his point, he refers to Gareth Porter's "record of dedicated support for the Communist cause," mentioning specifically his work for the Indochina Resource Center (IRC). To those untutored in the nuances of Shawcross's criteria of acceptability/rejection, Porter would seem to have been "right" early, and with admirable intellectual force. His monographs exposing some of the propaganda fabrications on the North Vietnamese land reform of the mid-1950s and on the Hué massacre of 1968 were both scholarly and extremely helpful in providing a substantive response to the flood of pro-war disinformation. Perhaps even more important was Porter's work at the IRC, which helped bring to Congress and the public details about the "secret" bombings of Laos and Cambodia at a time when the press was helping to keep them under cover. The halting of the bombing of Cambodia by Congressional action in 1973 owed no small measure of debt to IRC's activities.

The basis on which Shawcross excludes Porter from the category "right" and consigns him to the class of dedicated supporters of the Communist cause is not made explicit, but it is nonetheless clear. He states that "the war was never winnable," and the "resurgence of the idea" that victory was attainable is "troubling, to say the least." Evidently, the limit of legitimate criticism, in Shawcross's view, is the position that the U.S. war was unwinnable. Those who thought that the war was illegitimate and immoral, and that the Vietnamese peasantry was being slaughtered without justice or reason, were bringing in an irrelevant calculus. Cost-benefit analysis that gives serious weight to moral issues like legality and impact on non-western victims, as opposed to pure western pragmatics (winnability), is prima facie evidence of "dedication to the cause" of those victims. (Those to the right of Shawcross, of course, claim that *he* has been serving the Communist cause, by exposing some of the unseemly aspects of the massacre of Cambodians, although long after the event.)

We may gain a better perspective on the Shawcross criterion by translating to a Soviet view of Afghanistan. Imagine a pragmatic Soviet intellectual, P, who boldly suggests that the Russian war in Afghanistan is "unwinnable" and therefore recommends that it be gradually wound down. Another intellectual, Q, condemning the war on the ground that it is wrong whether winnable or not, and trying to publicize its horrors, is denounced by P for "dedicated support of the Western imperialist cause"—though some years later P himself will perhaps criticize the terror bombings in Afghanistan, in retrospect.

EDWARD S. HERMAN
Philadelphia, Pa.

Hentoff and repression

IN "A HERD OF INDEPEN- dent minds" [Nov. 23, 1981] Nat Hentoff repeats once again the misleading charges he has made against Marc Raskin and myself. Hentoff is upset because at a public forum in New York I asked Floyd Abrams, a prominent defender of the First Amendment, whether it was, in times of trouble, always useful to disassociate oneself from the views of those whose right to dissent one was defending. Abrams gave a reasoned answer to this question and we had the beginnings of a meaningful dialogue. Hentoff, however, considers the raising of this question to be improper. My own study of the domestic cold war in the 1950s led me to the conclusion that the ritualistic disassociation from the views of those one was defending helped to strengthen the structure of the repression. Therefore, I believe the question I asked was an important one. Hentoff believes that somehow to *raise* it is "thought control," "herd mentality," "a call to solidarity," or "imposing a loyalty test." That was not my intention in raising the issue, and Hentoff does a disservice to the possibility of exploring it by his cavalier charges.

Instead of repeating his guesses at other people's motives, Hentoff might more significantly address the implicit issues in the debate. For example, in what ways, if any, does the present,

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incipient repression resemble/differ from the repression of the so-called McCarthy years? What lessons are to be learned from those who resisted and those who lent themselves to the domestic cold war of the postwar decade? In what relevant ways, if any, is the plight of the *Covert Action* people of the eighties analagous to the plight of Communist Party members? How do tactical and strategic proposals for resisting repression relate to First Amendment imperatives?

VICTOR NAVASKY
Editor, The Nation
New York, N.Y.

NAT HENTOFF DEFENDS Floyd Abrams's right to witch-hunt those of us who write for *Covert Action Information Bulletin* because, he says, Abrams defends our "right to print anything [we] please." Unfortunately Hentoff—who himself hasn't found the time to defend our rights because he's too busy defending Abscam victims, South African athletes, the *National Enquirer*, and those who attack our magazine—is quite wrong about Abrams's commitment to our civil liberties. Abrams, who Hentoff calls "the nation's most prominent First Amendment attorney," has actually done his utmost to help Congress write a bill that will silence us while protecting his more affluent and respectable clientele.

True, in his testimony before the House Intelligence Committee last April 8, he argued that the language of the Intelligence Identities Protection Act, both House and Senate versions, is unconstitutional. But he went on to suggest in his prepared statement that it would be legitimate to prohibit publication if our intent in disclosing information is that it be used "to the injury of the United States or the advantage of a foreign power." Abrams undoubtedly knows that we have taken public positions in support of a number of Third World liberation movements and governments which are or have been the targets of covert action by U.S. intelligence agencies.

Certain that this suggestion would be constitutional, Abrams went on to add another suggestion: "Perhaps it could be made clearer still that, as the Senate Committee on the Judiciary urged last year, legislation be directed only at those 'engaged in a purposeful enterprise of revealing names . . . in short, [those] in the business of "naming names." ' "

Following his prepared statement, Abrams went on to propose yet another approach, outlawing the intent "to cause some kind of illegal conduct. . . . Any such intent standard in the legislation would be constitutional." The committee chairman, Representative Edward P. Boland of Massachusetts, asked Abrams if this intent wouldn't be difficult to prove. Abrams agreed that it would, but, "We do have cases which come up in which incitement is alleged and proved, but it is difficult." Then:

"Mr. BOLAND. Well, as all of you know, the effort on the part of this committee and I am sure the Senate Select Committee on Intelligence is to get at those publications which pub-

lish names for the express purpose of impairing and impeding and destroying the foreign intelligence of the United States.

"How do you do it, Floyd, without this kind of inhibition?

"Mr. ABRAMS. First, you may not be able to. It just may be that you can't do it. But if you are going to make a try at it and if you are going to run the constitutional risks of doing it, you have got to have a statute which is pruned down and lean as is possible. You have got to have a statute which, on the one hand, affords all kinds of legal protections to the potentially accused parties, and on the other hand includes no one else other than people who are doing things that you really want to stop publication of, and prohibits publication of nothing more than that which you are really worried about. You have got to have the narrowest definition of covert agent, you have got to have the narrowest definition of what it is that you don't want them to say, and you have got to weigh it down with a lot of protections for the accused."

If Hentoff considers these words the expressions of a man who is vigorously defending my rights, one of us needs a lesson in English.

KEN LAWRENCE
Jackson, Miss.

HENTOFF replies: I'll let Floyd Abrams, who is perfectly capable of speaking for himself, deal with the issues raised in Mr. Lawrence's letter. As for Mr. Navasky: The best way to begin combating repression is to not repress yourself. As for my somehow impeding discussion on the question addressed to Floyd Abrams, I am delighted to see that Mr. Navasky is not in the least impeded. Finally, absent a videotape of that glorious evening, readers will have to take my word that Mr. Navasky not only raised the question, but he and Mr. Raskin beat Mr. Abrams over the head with it. It was very much Mr. Abrams's view that they were trying to vigorously shepherd him into their herd. Do you suppose he just imagined that? No more than I did.

Kaplan awry

DID FRED KAPLAN, IN HIS article "Bombs awry" [Oct. 5, 1981], check out his facts on the subject of bias in ballistic missile accuracy better than he did in his reference to *Aviation Week & Space Technology* as a "house organ of the military establishment"? It's doubtful, judging from his laughable statement that the word bias is enough to make a growing number of Pentagon officials wince or shudder.

Aviation Week's latest Audit Bureau of Circulations statement as of June 30, 1981, lists 35,000 subscribers in the categories of air transportation, business and general aviation, armed services or civil government out of a total of 122,427 paid. That is 28 percent. There are 19,981 subscribers in the U.S. military services, or 16 percent. The rest of the readership is made up mostly of industry readers whose work may be military or civil, or both. Our content is divided accordingly. Yet, to quote Kaplan: ". . .nearly all its subscribers have some connection with the defense industry, relevant government agencies, or the military-related news media."

That hardly makes *Aviation Week* a military establishment house organ. We are certainly not apologizing for our military subscribers, any of whom could have done a more accurate job on bias than your sloppy Mr. Kaplan.

WILLIAM H. GREGORY
Editor-in-Chief
Aviation Week & Space Technology
Arlington, Va.

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POLITICS

ALAN CRAWFORD

Lyndon LaRouche's goon squads

IN APRIL 1973 FOLLOWERS of a little-known political extremist calling himself Lyn Marcus stormed the Temple University offices of the Young Workers Liberation League, began swinging with clubs and lead pipes, and sent eight young leftists to the hospital. The week before, twenty others struck in Buffalo, New York, breaking up a meeting of the Martin Luther King Coalition, wrecking its office and injuring many of the nearly eighty activists in attendance. Within days, fifty of his thugs disrupted a political debate at Columbia University. The gathering erupted into a huge brawl, and several participants were injured.

These and other attacks were all part of "Operation Mop-Up," as Marcus called it, an attempt by his National Caucus of Labor Committees (NCLC) to wreak vengeance on rival leftist groups and "destroy the last vestige of left hegemony of the Communist Party U.S.A."

Today we know Lyn Marcus by his real name—Lyndon H. LaRouche—and he is no longer an unknown zany content to loose his goons on other left-wing splinter groups. Three times a candidate for president of the United States, by 1982 he has become the leader of one of the most sinister political factions in recent memory and the puppeteer behind such disparate organizations as the U.S. Labor Party, the Fusion Energy Foundation, the National Anti-Drug Coalition, and the National Democratic Policy Committee, all fronts of his highly sophisticated, well-financed, and truly bizarre political movement. Preaching a baffling gospel of anti-Semitism, Big Government, world revolution, and sexual freedom from "mother problems," the LaRouche group has smeared political opponents, unleashed squads of pipe-wielding thugs, and allegedly even kidnapped its own members to "deprogram" them from supposed KGB brainwashing and protect LaRouche from assassination by "zombified" double agents.

Born in 1922, LaRouche has been active in leftist politics for years, though he has never achieved the recognition that, as the "world's foremost economist," he believes is rightfully his. He attended Northeastern University, but dropped out; he was, by his own account, "one of those prodigies" who was smarter than his instructors. A conscientious objector in World War II, LaRouche was "converted from Kant to Marx by Communist party members," an early step in an ideological acid trip that has taken him from the revolutionary left to the lunatic right and into a novel synthesis of both extremes.

LaRouche joined the Socialist Workers Party in 1948, remaining a member until 1957. During that period he adopted the "party name" of "Lyn Marcus," an immodest amalgam of the names Lenin and Marx. In the 1960s, as Marcus, he made several attempts to form new leftist groups and was even thrown out of Students for a Democratic Society. In 1969 he and his followers formed the National Caucus of Labor Committees, changing its name four years later to the U.S. Labor Party. It was then that he propounded the notion that the United States government and the Kremlin were cooperating in a conspiracy against workers of both nations. Operation Mop-Up followed, and even the United Auto Workers came under attack. Convinced that the union had been infiltrated by CIA and KGB agents, LaRouchies harassed rank-and-file unionists, calling their homes thirty or forty times a day and accusing their family members of homosexuality.

LaRouchies rationalize such tactics out of their deep-seated belief that their leader is a special target of assassination attempts, some of them perpetrated by individuals within his own ranks. Convinced, for example, that the Communist Party U.S.A., an "undying Frankenstein monster," has been led since 1928 by "murderous goons," *New Solidarity*, a LaRouchie publication, declared: "We have no compunction against treating CP leaders as well as they deserve to be treated for the murderous, hooligan, counter-revolutionary scum they are."

LaRouchies themselves are under constant suspicion of being "double agents." In 1974 police arrested several NCLC members for kidnapping twenty-two-year-old Alice Weitzman, who said she was held against her will in her own apartment and rescued only after she sailed a "Help Me!" note in the form of a paper airplane from the apartment window. The charges, denied by LaRouchies who said the woman was being "deprogrammed" to free her from KGB brainwashing, were dismissed only after the witness backed off.

At a New York City rally earlier that year LaRouche promised to present "hard evidence" of the conspiracies against him, but he never did. Indeed it would be impossible to fulfill such a promise. The conspiracy hallucinated by LaRouche is enormous, involving British intelligence, the Hapsburg dynasty, the Kremlin, the CIA, American environmentalists, the Queen of England, and the money power of the "Black Guelph" families of thirteenth-century Venice and Genoa.

THE CONSPIRACY'S MOST recent victim was Anwar Sadat, according to a statement issued by LaRouche in the name of the National Democratic Policy Committee. "Although the murders were perpetrated by a criminal cult created by British Intelligence's Arab Bureau, the Muslim Brotherhood," he writes, "the killing of Sadat by this instrument was ordered by the exact same complex of forces which orchestrated the establishment of the 'Pol Pot' regime of the Muslim Brotherhood in Iran. Ramsey Clark, Amnesty International, and the rest of that gang of jackels and hyenas who murdered Iran are now gloating over what they hope will become the corpse of Egypt today and of Saudi Arabia tomorrow."

British complicity in the conspiracy extends far beyond the Middle East, however. LaRouche warned that we must "act upon the fact that the world is threatened with a new fascist order even worse than that earlier represented by the British-sponsored Aus-

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trian hippie, Adolf Hitler," the conditions for which "are being created throughout the world by . . . the austerity policies identified with the leader of the British Fabian Society, Friedrich von Hayek, by the drug-lobbyist professor Milton Friedman, and by the fascist Federal Reserve Chairman Paul A. Volcker. The destruction of the economy of Great Britain by the evil and lunatic 'Friedmanite' cult-dogma of Prime Minister Margaret Thatcher is a policy by which the IMF, the World Bank, and the Bank for International Settlements are creating the genocide of war, famine and epidemic—with aid of Col. Muammar Qaddafy."

Dig a little deeper into his turgid tracts and you will learn that the royal family of England is in on the conspiracy, too, seeking to demoralize America through the use of hallucinogenic drugs. The real power, though, lies with "Force X," described by LaRouche as a "set of concentric circles of powerful family funds whose command center in the present day is located in Venice, whose wealth is sequestered in such locations as Switzerland and the unregulated, offshore financial institutions sheltered by the British Commonwealth."

Force X took form in the thirteenth century, as a group of powerful "Black Guelph" families based in Venice and Genoa, but whose influence continued throughout the Jacobin terror in France, with the complicity of that notorious British "agent of influence, Thomas Jefferson." The same families now support terrorism throughout Italy and instability worldwide.

LaRouche, reasonable man that he is, is well aware that some of this may be hard to swallow, so he ends the exposé with this: "Incredible? Unbelievable? If you do not act to defeat 'Force X'—including the Heritage Foundation, then you, the citizen, have lost the moral fitness to survive."

LaRouche's followers take such grim words to heart. One young LaRouchie, writing in 1978, demanded that the "bestial primitivists" in charge of Great Britain be "destroyed," concluding with the sinister warning: "Let us, with ruthlessness, ensure that the job is correctly done now." Words like these are especially chilling to Jewish Americans, who have reason to believe that "British" is a code word for "Jewish." Repeated statements of hostility to Jews prompted the Anti-Defamation League of B'nai B'rith (which LaRouche calls the "Bad Breath Anti-Defecation League") to conclude that the LaRouchies constitute a "grotesquely paranoid political cult, which peddles vicious anti-Semitic hate."

LaRouche himself calls the "Zionist evil" one of the "key arms of the British intelligence body which is behind the operation to destroy America." Jewish organizations, he has said, have aligned themselves with secret societies, among them the "Black Guelph Nobility" and the "Cult of Isis." Zionism, he says, is a "hideous doctrine, a hideous cult" that promotes "hoaxes" and "delusions" like the "holocaust thesis." The Anti-Defamation League is "literally the Gestapo of the British secret intelligence" in America. Such anti-Semitic diatribes have paved the way for a de facto alliance between the LaRouche camp and the far-right Liberty Lobby—a remarkable ideological swing for a once-leftist group.

LaRouche calls the 'Zionist evil' one of the 'key arms of the British intelligence body which is behind the operation to destroy America.'

Lurid theories like these are being downplayed, however, as the increasingly sophisticated and public-relations-minded LaRouche network seeks to achieve political respectability and influence Congress. LaRouche joined the Democratic Party to seek its presidential nomination in 1976 and 1980. He ran on a platform not unlike that of many conservative Republicans. (Although he won only 2.1 percent of the vote in the 1980 New Hampshire primary before dropping out of the race, LaRouche received $530,000 in federal campaign funds.) Since then he has created the ostensibly pro-business and pro-nuclear-power Fusion Energy Foundation, and the New Democratic Policy Committee, which, for all many Capitol Hill staffers may know, is an arm of the Democratic Party.

Through the Fusion Energy Foundation and its slick magazine, *Fusion*, which LaRouchies hawk at airports and train stations, they have sought to build coalitions with business-minded Republicans who share their support of nuclear energy and economic growth. LaRouche's "grand design" for the U.S. economy may appeal to many Americans who know nothing of his other views. It calls for economic expansion, relaxation of environmental regulations, and a return to the gold standard. Like-minded members of Congress, meanwhile, receive almost weekly telephone calls from LaRouche fronts seeking to set up meetings between the congressmen and the "pro-growth" LaRouche representatives.

The conservative Republican Study Committee, however, warns that "while attacking leftists in the U.S.—including the pro-Soviet Communist Party U.S.A.—the [LaRouche network] has generally taken a pro-Soviet position in its literature." In one publication, LaRouche argues that the United States "must immediately join with the Soviet Union" on policies relating to the Middle East. *Fusion*, the Republican Study Committee says, "is blatant in its pro-Soviet positions on research and development in both nuclear weapons and energy, plus having an obvious interest in the furthering of nuclear technology in East Germany and other European countries."

All of which raises obvious questions about the source of LaRouche's funds. One former NCLC member says he heard a national executive committee discuss the transfer of $35,000 from the Soviet embassy in Copenhagen to a German affiliate. He also recalls LaRouche's boast of raising $1 million from sources within Iraq, which LaRouche denies. "We tried to get money from the Arabs," he has admitted, "but we never did." Whatever the source, the money is considerable. Followers dominate three Manhattan-based businesses with revenues of up to $5 million a year.

Funds also come from the contributions of thousands of clean-cut, seemingly earnest youngsters, mostly white and mostly middle-class, who are the group's foot soldiers. La-

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Rouche has said that he receives "conscience payments" from his followers, some of it inherited or wheedled out of affluent parents. Hundreds of thousands of dollars in members' trust funds have reportedly been turned over to the NCLC. In its early days the LaRouche network "attracted into its bizarre world not only sons and daughters of old-line radical families of the 1930s," the *Washington Post* reported, "but also children of politically conventional and even prominent families, including the sons of a Ford Foundation vice president, the daughter of a president of Sarah Lawrence College and the son of a high ranking State Department official."

What draws these youngsters into the LaRouche network is not clear, but it may have a good deal to do with their leader's bizarre theories of sexual liberation. This would-be messiah not only provides his recruits with a "neat package" to answer all their questions, but is "confident and capable," he says, "of ending your . . . sexual impotence." In a 1973 NCLC "internal discussion" paper, LaRouche traces all personal anxieties to "sadistic possessiveness of the sexually-impotent mother" and urges his followers to "break with your mother's life and become real human beings." LaRouchies can then become sexual as well as political revolutionaries, roles he considers inseparable. Through "sessions" in which LaRouche subjects his flock to psychological terror, he seeks to "systematically evoke from our audiences precisely the sense of inner terror which must be evoked to absolutely compel them to become revolutionaries." "In Germany," he concludes, "I am Der Abscheulicher! (The Bestial One! The Horrible One!) I shall soon be regarded similarly here."

HOW MUCH INFLUENCE can such a crazy have? By disguising his aims under anti-drug and pro-nuclear-power front groups, LaRouche generates more than his fair share of serious attention. "LaRouche is not just another kook," Congressman Pete McCloskey told the House of Representatives earlier this year: "The man is clearly a paranoid and demented megalomaniac, and would ordinarily be a curiosity rather than a subject of proper congressional concern." In another speech McCloskey added: "Demented though he may be, LaRouche clearly has the financial means, organization, ability, and determination to cause major changes in U.S. law and policies. His words and actions should be followed with care." The speech was McCloskey's response to the blanketing of Capitol Hill by LaRouchie press releases announcing that one of McCloskey's staffers was a "Soviet KGB-linked mole," working in cahoots with Russian spy Kim Philby, a right-wing journalist named John Rees, and the conservative Heritage Foundation. These charges prompted an FBI inquiry, which found no substantiation whatever for the charges. Bureau records, FBI Director William Webster wrote McCloskey, "have been reviewed and nothing was located" to back up the charges. A LaRouchie publication, *Executive Intelligence Review,* nevertheless appeared in congressional offices only weeks later repeating the allegations. Apparently some powers in Washington take the magazine seriously. One of its articles was even reprinted by the Defense Department's daily *Current News* digest, alleging that the Jesuits, the Heritage Foundation, and the Socialist International control world terrorism.

LaRouche's influence also extends into the labor movement, through shady deals with corrupt labor leaders cultivated by the NCLC throughout the late 1970s. Federal Election Commission filings show that Citizens for LaRouche, the leader's political action committee, paid over $96,000 in 1979 and 1980 to a Detroit-based consulting firm called Project Consulting Services Inc.—a firm organized just days before the payments began. According to journalist and longtime LaRouche watcher Dennis King, Project Consulting is headed by a close friend of Rolland McMaster, a Detroit Teamster, former crony of Jimmy Hoffa, and associate of Florida underworld boss Santo Trafficante. McMaster has endorsed LaRouche for president and is described by the NCLC as "one of the most respected . . . voices in all of organized labor," despite his having been sent to prison in 1966 on thirty-two counts of labor extortion. NCLC has provided propaganda pamphlets and muscle to help entrenched Teamster leaders fight off challenges from reformers. In return, locals of the Teamsters and other corrupt unions have given LaRouche and his many fronts political and financial support.

The organization's effectiveness may be severely tested, however, as a result of internal splits. The most recent rupture took place last October when key organizers in Detroit, Chicago, Boston, and other cities resigned after LaRouche accused the Detroit cell of harboring "moles" dedicated to his destruction.

In an "internal security memorandum" to his "security chief," the group leader warned that "on the basis of conclusive information assembled within the past 48 hours, it has become clear that the Detroit leadership made a bad security blunder," an apparent reference to a member believed to be a spy working for the Anti-Defamation League of B'nai B'rith.

In fact, this break had been simmering for some time, following an alleged attempt by the midwestern leadership to use the organization, as LaRouche believed, for "building friendships through business deals" at the expense of the leader's own messianic political goals.

When the Detroit leaders resigned, LaRouche characteristically attacked them as "Judases" working for his enemies. Defectors have already begun to squeal, some having rebelled, it appears, from their virtual enslavement to the organization.

As Joe Conason reported in the *Village Voice:* "Many are now in their thirties, having joined LaRouche some 15 years ago when he was a leftist, and are finally tired of the daily exhortations to sell more NCLC literature and bring in more income. Those who work for the NCLC business operation . . . are often underpaid, and defectors frequently speak about the gap between their living standard and that of LaRouche and his wife Helga. . . ."

It would be a serious mistake, however, to assume that this fratricidal activity is a sign that the LaRouche group is "collapsing," as the *Voice* was quick to do. What the defectors do next will bear watching, as will LaRouche's response to their challenge. His reactions so far have been characteristically paranoid, taking the form of personal denunciations at best, and, at worst, threats of violence that recall Operation Mop-Up of earlier years.

As LaRouche warned in a July 25 memo on the bankruptcy of one of the organization's computer firms—a bankruptcy he blamed on internal betrayers: "We are about to deploy as we have never deployed before." The worst, in short, could well be yet to come.

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POLITICS

SHELDON RICHMAN

Bonzo's bedtime reading

Cobden, Bright, and Bastiat, the writers Reagan calls his teachers, were all firm noninterventionists.

PERHAPS THE STARKEST contrast in the 1980 presidential election was between the ideological approaches of Ronald Reagan and his opponents. While Jimmy Carter and John Anderson boasted that they defied political analysis, Reagan forthrightly took the opposite approach and insisted that his campaign stood for certain political principles. "Those who can't abide by them," he once said, "will have to go elsewhere."

Most people assume that these principles represent the purest form of conservatism—but Reagan sometimes says something quite different. He often attributes his views to the tradition, developed over the past two centuries or so, generally known as "classical liberalism." The most recent example of this self-characterization appears in an interview with the president recorded in *The Reagan Revolution,* a book by Rowland Evans and Robert Novak. At one point Evans asks, "What philosophical thinkers or writers most influence your conduct as a leader, as a person?" Reagan's first response is: "Oh, boy, Rowly." Collecting himself a bit, he goes on to say:

> Well, one thing is I've always been such a voracious reader—I have read the economic views of Von Mises and Hayek, and . . . Bastiat, back a hundred years ago in France. . . . Oh, I know about Cobden and Bright in England—and the elimination of the corn laws and so forth, and the great burst of economy or prosperity for England that followed. As I say, Bastiat has dominated my reading so much—ideas of that kind.

These, then, are the writers—the only writers—Ronald Reagan cites as his economic influences: Ludwig von Mises, F. A. Hayek, Richard Cobden, John Bright, and Frédéric Bastiat. Who were they?

Judging from Reagan's performance in office so far, you might deduce that they were firm believers in the strongest possible military force, a globe-girdling foreign policy, a government oriented toward big business, and a generally Rotarian approach to the administration of public affairs. But if that's your conclusion, you're in for a shock. The truth is almost the exact opposite.

Cobden, Bright, and Bastiat were nineteenth-century champions of the free market. This hardly makes them precocious Reaganites, however; their principal causes were total free trade among the people of all nations and noninterventionism in foreign affairs. All three were passionate, articulate foes of trade barriers and the balance-of-power politics that is a perennial cause of war. Moreover, they believed that protectionism and militarism were no mere errors in public policy, but systematic means of plundering the industrious classes, means found exceedingly profitable by the ruling classes of the time. (The ruling classes—or "tax eaters," as Bright called them—were most often identified with the landed aristocracy.)

The difference between Reagan and these nineteenth-century radicals could not be greater. Reagan favors legal limits on Japanese car imports (although he disguises this by suggesting that the Japanese government impose them) and barriers to the importation of steel, textiles, tobacco, and casein (a dairy product), among other products. In contrast, Cobden and Bright, as any student of theirs should know, were probably the most famous free-traders in history; the mass movement they led in the late 1840s, which succeeded in repealing the Corn Laws, the tariff on imported grain, was simply the culmination of their efforts. In France, Bastiat, a brilliant economic journalist, spread their ideas. With wit that still sparkles today, he dissected and mocked every rationalization for trade barriers, demonstrating that protectionism was an enemy of the people's well-being. (Characteristically, he identified protectionism with socialism, in that both were destructive governmental interferences with his ideal of laissez faire.)

In foreign affairs, Reagan seeks

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worldwide military superiority, with the power to intimidate the Soviet Union and arrange things "in our national interest" everywhere on earth, and he proclaims this goal in streams of jingoistic rhetoric. Cobden, Bright, and Bastiat, on the other hand, were firmly in the classical liberal tradition of noninterventionism, disarmament, and peace. Wars, they believed, were the result of governmental meddling, barriers to trade, and, often, efforts by the ruling class to distract their subjects from domestic problems.

Perhaps a few examples from the writings of these Reagan "heroes" will illustrate the supreme irony of the president's claims. The words that Richard Cobden placed on the title page of the very first book he wrote were from George Washington's Farewell Address to the American people: "The great rule of conduct for us in regard to foreign nations is, in extending our commercial relations, to have with them as little *political* connection as possible." In Cobden's view, "The primary cause of all the prosperity and happiness of [the American people] is to be found in the wisdom of that advice." He "opposed . . . armed intervention in the affairs of other countries" and urged the people to be "on their guard against false alarms about intended aggressions of their neighbors, which when too credulously believed, give to government all the political advantages of a war, without its risks." For Reagan, foreign policy is an arena for demonstrating the nation's newly reawakened pride, virility, and determination. But the more realistic Cobden saw it as a deadly game in which despots "employ one nation in cutting the throats of another, so that neither nation may have time to reform the abuses in their own domestic governments."

John Bright would have been familiar with Reagan's balance-of-power strategies. As a member of Parliament, he had heard them often enough from the spokesmen for British imperialism:

> The balance of power is like perpetual motion, or any of those impossible things which some men are always racking their brains and spending their time and money to accomplish. . . . The more you examine the matter the more you will come to the conclusion which I have arrived at, that this foreign policy . . . is neither more nor less than a gigantic system of out-door relief for the aristocracy of Great Britain.

And Bright had a pointed question that Reagan might care to address to his foreign-policy advisers someday soon: "What are we to say of a nation which lives under the perpetual delusion that it is about to be attacked?"

Bastiat agreed with the two Manchester liberals: War, he said, is "always waged in the interest of the few at the expense of the many." Like Cobden and Bright, he saw free trade as an international extension of the domestic free market with the promise of improving living standards everywhere. But all three men also viewed free trade as a powerful impediment to war, since commercial relations benefit all trading partners, making wars a bad economic proposition and, hence, less likely. As Bastiat wrote: "Let nations be permanent markets for each others' products. Let their relations be such that they cannot be broken without inflicting upon them the twofold suffering of privation and glut, and they will no longer need those powerful navies which ruin them, those large armies which crush them. . . ."

Ludwig von Mises and F. A. Hayek, Reagan's other influences, were both critics of protectionism and subsidies

Nothing so moved these three men as the horrors of war. Speaking against war in the abstract, as Reagan occasionally does, is at best a weak proof of devotion to peace. What counts are actions and judgments about actual wars. Reagan's policies include massive preparations for war; the Vietnam war, he says, was a "noble cause," which we simply did not have the will to win. In striking contrast, Cobden and Bright denounced the British government for conducting another senseless war, against Russia in the Crimea. (For their courage, the two men were defeated in the following election.) Said Bright: "This is war—every crime which human nature can commit or imagine, every horror it can perpetrate or suffer. . . . You must excuse me if I cannot go with you. I will have no part in this terrible crime. My hands shall be unstained with the blood which is being shed."

Cobden went so far as to propose a kind of capitalist strike in the event of war: "Warlike governments can find resources only in the savings of merchants, manufacturers, farmers, and rentiers, and we appeal to them, in the name of humanity and their own interest, to refuse to lend aid to a barbarous system which paralyzes trade, ruins industry, destroys capital, stops work, and waxes fat through the blood and the arms of their brothers." And Bastiat—the writer who has dominated the president's reading lo these many years—advocated immediate *unilateral* disarmament.

Reagan's other inspirations are the late Ludwig von Mises and Nobel laureate F. A. Hayek—not exactly household names, perhaps, but well known to students of economics as the leaders of the Austrian school of economic thought. Mises, who conducted a seminar for many years at New York University, was an uncompromising, even "doctrinaire," advocate of laissez faire and a scathing critic of protectionism and business subsidies. Hayek, formerly of the London School of Economics and the University of Chicago, has similarly emphasized the role of the free market in promoting human welfare.

But for both men, freedom is indivisible. It includes not only the right of businessmen to be free from regulatory harassment, but the right of every peaceful individual to conduct his personal affairs according to his own lights. Listen to the libertarian Mises on the "drug problem":

> Opium and morphine are certainly dangerous, habit-forming drugs. But once the principle is admitted that it is the duty of government to protect the individual from his own foolishness, no serious objections can be advanced against further encroachments. A good case could be made out in favor of the prohibition of alcohol and nicotine. And why limit the government's benevolent providence to the protection of the individual's body only? . . . The mischief done by bad ideologies, surely, is much more pernicious, both for the individual and for the whole society, than that done by narcotic drugs.

This plea for "permissiveness"—or, rather, for individual rights—comes from Mises's magnum opus, *Human Action*, a book the president says he routinely consults. Considering that he sees a crackdown on drug sellers and users as the key to law enforcement, it seems he reads rather selectively.

Perhaps most ironically of all, F. A.

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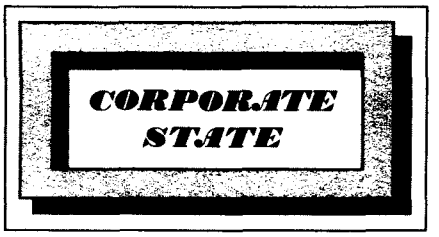
Hayek has been at pains to distinguish himself from the conservative philosophy that Reagan has so enthusiastically embraced. At the conclusion of his major work, *The Constitution of Liberty*, Hayek placed an essay titled "Why I Am Not a Conservative." In it he writes that conservatism isn't a political principle, but a semicollectivist dogma dreading change and worshipping tradition and established authority. He finds not only that conservatism and his own view—which he calls liberalism—are fundamentally opposed, but that conservatism has many important similarities to socialism: "In general, it can probably be said that the conservative does not object to coercion or arbitrary power so long as it is used for what he regards as the right purposes. . . . Like the socialist, he regards himself as entitled to force the value he holds on other people."

Hayek's critique is particularly relevant in light of the statist moral crusade currently being waged by Jeremiah Denton, Paul Laxalt, Jesse Helms, Philip Crane, and other of Reagan's political associates. Their sort of conservatism is fearful and deeply suspicious of the forces for change inherent in a pluralistic society and a market economy. In the last analysis, what they favor is not freedom for competing values in society, but the state-enforced victory of their own, which they dub "traditional," "pro-family," and "pro-American." Hayek rejects this totalitarian temptation in favor of a renewed liberal movement, which will be "the party of life, the party that favors free growth and spontaneous evolution." A greater challenge to the mullahs of the right can scarcely be imagined.

So, in his reading of some of the great authors of classical liberalism, Ronald Reagan seems to have missed out on one or two things. In a way, though, it's hard to be too critical of him. His heart is in the right place, or close to it. The world would be distinctly better off if Cobden and friends were the preferred reading of *every* American president. But pardon me for what may seem like a pedantic note: These writers were all serious men, with a carefully thought out and coherent social philosophy. They didn't limit themselves to uttering detached slogans with a vaguely "pro-freedom" ring to them. That's why they are still important. I hope the president finds time to go to them again, perhaps with fresh eyes. They still make good reading.



WILLIAM ROSENAU

The warriors of academe

*IN 1961 OUTGOING PRESI*dent Dwight Eisenhower warned prophetically of a growing collusion involving the Department of Defense, military contractors, and scientists engaged in weapons research. Eisenhower defined this alliance as a "military-industrial complex." But fifteen years earlier, when he was Army Chief of Staff, Eisenhower had been one of those responsible for laying the groundwork for the very thing he would come to fear. In 1946 Eisenhower had suggested that academic scientists would be of great use if they were successfully recruited by the Pentagon, and he had urged the Department of Defense to embark on "broad research programs in educational institutions."

Eisenhower's 1961 warning went ignored. He had defined a problem that no one appeared willing to solve. But the Eisenhower recommendations of 1946 were put into operation almost at once, and they continue to haunt American college and university campuses today.

Over the past thirty-five years, a number of universities, including the Massachusetts Institute of Technology, Johns Hopkins, Chicago, Harvard, Columbia, Stanford, and the University of California have been on the Pentagon payroll. Since World War II half of MIT's research funds have come from the military, according to MIT associate professor of history William Watson. In return these schools and colleges have provided the Pentagon with an endless and often frightening variety of services and weapons, including radar, guided missiles, walkie-talkies, a primitive form of napalm, and the atomic bomb.

Although Pentagon-supported research on campuses came under sharp attack during the war in Vietnam, the research itself continued, and in recent years the Department of Defense has offered even more money for campus research and recruited and seduced countless university scientists and professors for its work. The voices of Vietnam-era protest have not only been silenced, they have been replaced by the voices of university academics and administrators greedily clamoring for additional Defense Department research contracts, and by the voices of those who are seeking government contracts in order to establish their own private companies at taxpayer expense.

Limiting the spread of the military-industrial complex might have been achieved if the federal government had simply been kept off the college and university campuses. Instead, the problem intensified when the Pentagon went calling with seemingly unlimited funds on venal campus administrators who had visions of new buildings, new laboratories, higher salaries, and sophisticated equipment—all to be paid for by the Pentagon. American college presidents, to put it bluntly, turned into military camp whores every time the Pentagon announced a budget increase. Rationalizations for conducting research toward global warfare degenerated more often than not into discussions of how fast a new wing could be added to the administration building. The priorities of the military were suddenly the priorities of American universities. Today, as the Pentagon once again flexes its financial muscle, colleges scramble for the military megabucks as if they were prepared to surrender their historical independence.

According to the National Science Foundation, defense contracts with colleges and universities will jump from $576 million in fiscal year 1981 to $709 million in fiscal 1982. A great deal of this funding will go to "off-campus" research centers administered by the universities.

During the late 1960s and early 1970s, in the face of massive student and faculty protests, many universities altered their research relationships with the military. The

WILLIAM ROSENAU recently joined the Council on Economic Priorities in New York City as a researcher.

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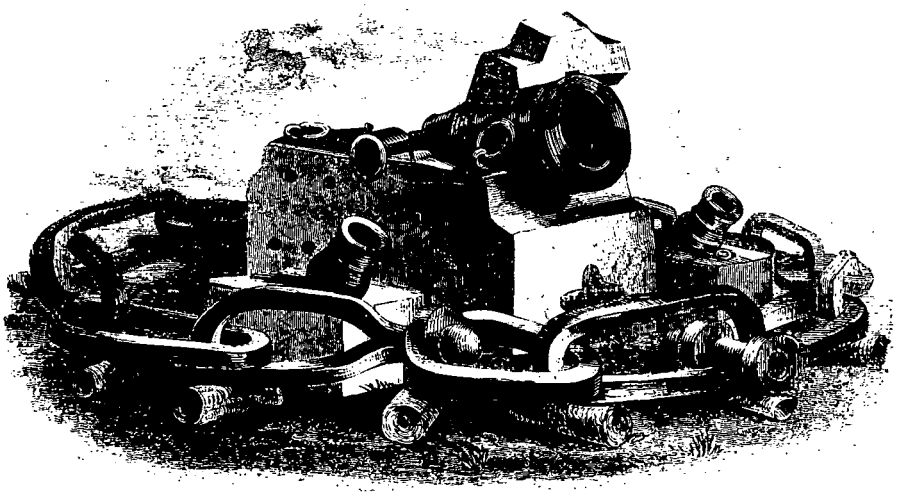
Charles Stark Draper Laboratory at MIT was a main target for protest by campus activists, so the MIT trustees decided formally to divest the lab from the university. Right across the street from the campus, the Draper Lab today continues to work on weapons—and continues to reap benefits from MIT's brains and prestige.

Pentagon research relationships with other schools, like Columbia, Wisconsin, and Pennsylvania, having been successfully protested by students and faculty, were also said to have been altered. But Columbia professors continue to do military research at the university's Riverside Research Institute, a military research center that has been affiliated with the university's electrical engineering department. After antiwar activists destroyed the University of Wisconsin Army Mathematics Research Center, the university shifted it to a new location and renamed it the Math Research Center. Although Penn discontinued its controversial Summit and Spicerack defoliant projects in 1967—more on them below—the university will receive almost $5 million for Pentagon research in computer and antenna design in fiscal 1981. Penn's Pentagon payoff, however, is only a drop in the bucket compared to the $163 million destined for Johns Hopkins and the $154 million MIT directly received in fiscal 1980.

The Johns Hopkins Applied Physics Laboratory, according to a university spokesman, is developing the "AEGIS Weapon System, which is designed primarily to defend ships at sea." The Johns Hopkins lab is one of the largest of its kind; its scientists are engaged as well in research on the upper atmosphere, and they perform weapons effectiveness evaluations. Scientists at MIT's Lincoln Laboratories, too, are working on guidance systems and other advanced electronic systems for the military, including components for the MX missile.

Not all federally sponsored university scientists and professors have been preoccupied designing and refining weapons of mass human destruction and potential worldwide annihiliation. During the 1960s, for example, professors teaching in the social sciences or "ideological" fields were recruited by the Pentagon to work in "Project Camelot." This army-supported project at American University developed counterinsurgency techniques for use in South America. Teams of social scientists travelled to Chile and various other countries to devise techniques of quelling potentially rebellious populations. The Center for Research in the Social Sciences and the Human Resources Research Offices, which were affiliated with the University of Michigan, received millions in military contracts.

And some scholars have fiercely guarded their independence. The Defense Intelligence Agency recently tried to establish a public link with any one of the twelve American universities with African-studies centers. The DIA has been unable to find a university willing to cooperate in training and educating its agents, despite the agency's willingness to donate half a million dollars to any cooperative program. "Even the agency's overtures might compromise scholars, there is so much suspicion of U.S. intelligence [agencies]," says Rita Breen, executive officer of Harvard University's Committee on African Studies.



The following are among the other research projects funded by the Pentagon:

■ From 1955 until 1960, fifty-four professors worked on a Michigan State University project in South Vietnam. These "researchers" conducted economic and political evaluations of that nation, advised the government's secret police, and supplied the Diem dictatorship with military hardware. All of these actions, carried out in the name of university research, were in direct violation of the Geneva Accords.

■ In the Summit and Spicerack Projects at the University of Pennsylvania's Institute for Cooperative Research, ICR recruits conducted secret research on the use of defoliants against villagers in South Vietnam from 1961 until 1967. The project was cancelled only after a group of students and faculty members threatened to wear gas masks to commencement in protest.

■ The JASON group, comprised of forty-five top theoretical physicists from twenty institutions including Princeton, Berkeley, Columbia, and other schools, recommended in 1968 to Secretary of Defense Robert McNamara that an electronic barrier—rigged with all the latest in booby-trap technology—be erected along the border between North and South Vietnam. Electronic sensors would register whenever people were near the fence. When the sensors were triggered, guns, land mines, and other weapons would start going off. According to the physicists, this barrier would prevent the flow of North Vietnamese troops southward. Critics pointed out, however, that the barrier could not tell the difference between civilians and combatants, and that villagers were maimed and killed by the system's antipersonnel weapons. The JASON group continues to advise the Pentagon on scientific matters.

Each summer, the JASON group meets for eight weeks at a girls' school in the prosperous suburb of La Jolla, California. They advise the Department of Defense on what they term theoretical issues, such as the MX missile–basing system, and the vulnerability of missile silos. Over the years, JASON has advised the Pentagon on such theoretical questions as the military application of lasers and particle beams. The group is administered by SRI International, a spin-off of the Stanford Research Institute. Stanford University dropped SRI in the face of

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Vietnam-era protests, but like MIT's Draper Lab, continues to reap residual benefits from its prestigious associations.

As colleges and universities continue to accept military contracts, they relinquish their own independence and credibility. Once they have been reduced to Pentagon-dole junkies, they invariably display reluctance to criticize a sponsor that does not give contracts to its critics. As voices of criticism are silenced, universities risk surrendering the direction of their own scientific research and development to the military.

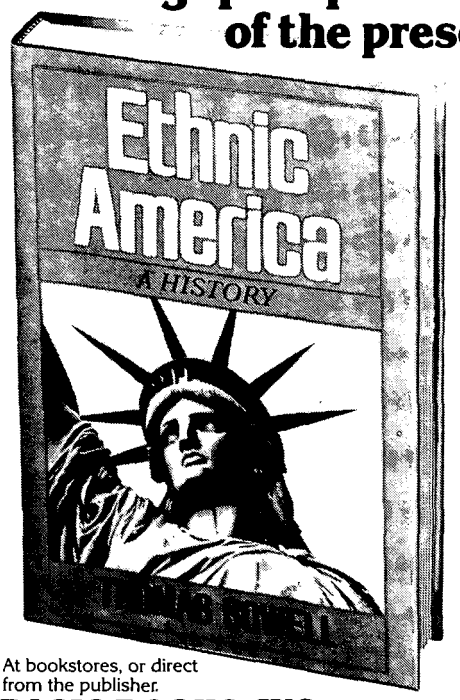
During the height of the Vietnam War, Dr. Wolfgang Panofsky, director of the Stanford Linear Accelerator, said that university scientists could serve as independent critics of U.S. defense policies. But unbiased analyses cannot be expected from the government or those who are hired by the government to perform research. While universities are among the few places where there are experts with enough technical proficiency to question or rebut claims of the Pentagon, the problem now, Panofsky says, "is how to keep the universities from becoming captive to the Defense Department." With universities designated to receive increases in Reagan-administration funding for military research, many scientists may prefer to pocket their government checks rather than speak out against defense policies.

In fact, many university scientists and professors have discovered a new twist in the weapons-research game. Independently, they have become designers of weapons, generally operating one stop short of the actual production of weapons. They turn a quick buck by obtaining a military contract in a hot field like computers or lasers. Based on the military research they have conducted at taxpayers' expense under the auspices of a university, they then develop a completely new weapons system and form a spin-off corporation to produce it. The MITRE Corporation, as an example, was founded by a group of MIT engineers in 1958. The Air Force asked MIT to conduct additional applied research on campus. The board of trustees refused, stating the work was improper for a university. The engineers decided to do the research anyway, through their own company, MITRE. One of the most successful of the spin-off firms that line Route 128 out of Boston, MITRE today receives $135 million in Defense Department contracts to design electronic systems for the AWACS and command, control, and communications systems for the MX. Today MITRE has 4000 employees and operates as a nonprofit, independent corporation controlled by a board of trustees. Furthermore, it is estimated that 200 firms of this type operate around Stanford University on the West Coast.

Many scientists who were seduced by Pentagon money have not remained silent in the face of the rising militarism of the Reagan administration. They have criticized the aggressive interventionists in the Reagan administration and voiced concern over an increasingly voracious Department of Defense. But their numbers are small and their voices are almost inaudible over the din generated by the administrators of the universities to which they are affiliated. As if entranced by the light of Pentagon dollars, presidents of major American universities continue to line up with their hands out, refusing to acknowledge the price that can be exacted once their new buildings are in place and their new labs are filled with designers of the weapons the Pentagon is dying to use. ❏

"An important book... a signpost pointing to the probable future direction of the present national Administration."

—David Herbert Donald, front page, New York Times Book Review



David Herbert Donald's review continues: "The heart of Mr. Sowell's book consists of separate but interrelated chapters that trace the historical experience of nine of the largest American ethnic groups....ETHNIC AMERICA is at once useful as a concise history and significant as a quiet but powerful attack on liberal beliefs about minorities, racism, segregation, and affirmative action."

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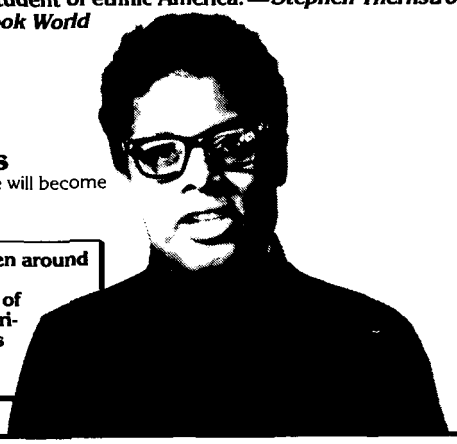

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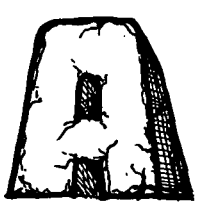
JOE SUTLIFF

The dirty secret of antitrust is that it doesn't protect consumers from rampaging corporations. Instead it protects inept businessmen and special interests. But Reagan's 'reforms' won't help – the only thing to do with this beast is to kill it.



RARE GLIMPSE OF THE TRUE SPIR-it of antitrust was afforded last November in the hitherto peaceful little city of Findlay, Ohio (population 36,000). Located in the northwest corner of the state and surrounded by farmland, Findlay is the unlikely world headquarters for two major corporations—Cooper Tire & Rubber, the nation's seventh largest tire company, and Marathon Oil, the world's sixteenth largest oil company and one of the fifty largest corporations in the country.

In ordinary times, nothing exciting ever happens in Findlay. But those were not ordinary times last November. The leading corporate citizen and owner of the town's only ten-story building, Marathon Oil, was the object of a takeover attempt begun in October by an even bigger corporate giant, Mobil. The town responded with a genuine outpouring of support for their own beleaguered oil giant, which earlier in the year had arranged for a $5 billion line of credit to help defend itself against such unfriendly behavior. The local high-school football team dedicated its last game of the season to Marathon, racing onto the field through a large hoop covered with the company's logo. The mayor denounced Mobil's offer, calling it a "disaster" for the city. "I love Marathon" and "We won't be Mobilized" buttons spontaneously appeared on hundreds of coats, most of them worn by non–Marathon employees. Townspeople snapped up red Marathon baseball caps and T-shirts displaying a diving eagle labeled "Mobil" attacking

MICHAEL MCMENAMIN, a contributing editor of INQUIRY, is an antitrust lawyer in Cleveland.

by Michael McMenamin

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a defiant "Marathon" mouse, whose middle finger was prominently extended. Leaders of ad hoc civic groups like "Findlayites Are Determined" (FAD) gladly provided apocalyptic statements to the wire-service reporters and TV news teams who descended on Findlay to cover the event. If Mobil had been so unfortunate as to have had gas stations in town, they would probably have been burned.

Led by the high-school marching band, a giant FAD rally on Veterans Day drew a crowd of over 6000, including a score of politicians, to the downtown area in a mass demonstration of support. After the rally, crowds packed the old high-school auditorium to capacity to hear from their local Republican congressman, Michael Oxley, and Ohio's liberal Democratic senator, Howard Metzenbaum, both of whom are up for reelection in 1982.

Ohio's junior senator is an unlikely pal for oil companies of any description. A millionaire many times over, Metzenbaum made most of his money from parking-lot concession monopolies at municipally owned airports. He sold his company to ITT and started running for the U.S. Senate, losing twice, in 1970 and again in 1974, before he finally scored an upset in 1976 over the Republican incumbent, Robert Taft, Jr. In all of his many campaigns, big oil was always a major villain and public punching bag. And scoring cheap points off the two Ohio-based oil giants, Standard Oil (Ohio) and Marathon, was a particular treat.

Metzenbaum, with his anti-oil reputation, has understandably never been popular in Findlay, but the past was all but forgotten by the citizens who jammed into the aging auditorium on Veterans Day. "Headline Howie," as he is irreverently called by many in the Ohio press corps, did not disappoint them. He attacked Mobil for spending its money on "gobbling up other oil companies" rather than spending it on its own oil exploration. The crowd cheered. The deal was "wrong for the country," he said, "and sure as hell is wrong for Findlay." The crowd cheered again.

Demagoguery was the order of the day. After Metzenbaum and Oxley had spoken, a young Findlay city councilman rose to comment. Please understand, he told the two speakers in an eminently reasonable tone, "we are not asking you to work your tails off to stop this merger; we are not pleading for you to twist arms [then he paused for effect] but to *break them* if necessary." The call to violence stunned the crowd into silence for a few seconds, save for a nervous laugh or two, then the cheers started again.

And for what ultimate purpose was the young councilman, cheered on by his fellow townspeople, urging the tactic of broken arms?

The answer is stark in its simplicity and, to those who believe antitrust is designed to keep markets free, chilling in its implications. The citizens of Findlay wanted the federal government to use the antitrust laws to prevent any of the real owners of their "beloved" hometown company—whether slick young money-market moguls, or elderly widows limping by on pensions—from selling their Marathon shares in the market to whoever was willing to pay the highest price.

To the townspeople and the media, the Mobil attempt to acquire a controlling interest in Marathon was a "hostile" takeover. But that is a misleading term at best. To whom was it hostile? Surely not to those Marathon shareholders who welcomed the Mobil offer and wished to accept it. And to those shareholders who believed the offer was inadequate? Well, no one was twisting or breaking their arms to say yes. In truth, the only ones who really found it "hostile" were the managers of Marathon who wanted to preserve their independence and their jobs, the citizens of Findlay who wanted to preserve the tax base and employment afforded by the town's biggest company, and the politicians up for reelection in 1982 and eager to do the bidding of these constituencies.

Ironically, the only real hostility came from precisely these three groups, who were attempting to use the nation's antitrust laws to legally break the arms of all those Marathon shareholders who wished to raise them and freely dispose of their ownership interest in a mismanaged public corporation. And rest assured that the arm breakers could not care less about the legal and economic theories underlying the enforcement of antitrust laws.

ANTITRUST HAS TRADITIONALLY been a bipartisan issue, about which liberals and conservatives alike could share warm, fuzzy feelings. Liberals were delighted when the feds flayed "big business," and conservatives approved because it was all done in the name of preserving "competition." But as we approach the 100th anniversary of antitrust, its shaky foundations are showing. Politically, its congressional allies are dwindling, and the Reagan administration does not appear inclined to take up the slack. Legally and economically, it is intellectually bankrupt, its newest justifications having been tried and found deficient, its original rationale having long since been proven irrelevant—and in many instances contrary—to consumer welfare. Any positive relationship between consumer welfare and antitrust prosecution has been largely coincidental. And this is antitrust's dirty secret: it protects inefficient businesses, not consumers.

Consumers were not an active or organized political force in the nineteenth century. It was businessmen and farmers who were organized, and they were the ones responsible for the antitrust laws. Those laws were born to protect these interest groups—not the consumer—and judges charged with interpreting the antitrust laws have intuitively sensed this and made their rulings accordingly.

The fantastic success of John D. Rockefeller and the Standard Oil Company, as much as any other single man or company, was the principal factor behind the initial passage of the Sherman Antitrust Act in 1890. Yet in reading anew Ida Tarbell's classic 1904 muckraking book, *The History of the Standard Oil Company*, one detects scant concern on her part with injuries to consumers by Standard Oil. And with good reason: Standard Oil's efficiencies and innovations, which spurred on its fabulous growth, resulted in consistently lower petroleum prices to consumers during the latter half of the nineteenth century.

The people for whom Ida Tarbell shed her tears were (a) the oil producers in Pennsylvania, a surly group of roughnecks who kept trying to fix prices and restrict output, all without success because Rockefeller kept playing one off against another, and (b) the oil refineries that were Standard's competitors (including the Pure Oil Company, whose treasurer was Ida Tarbell's brother), which were neither as efficient as Standard nor as eager as Rockefeller to eliminate the price-fixing schemes of the oil producers and the railroads that hauled the petroleum to the refineries. Special-interest groups like these did not like it that Standard paid the lowest price for oil and got price breaks from railroads that fixed prices against other refineries; and

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they are the ones that went crying to their state legislatures and to Congress for relief.

Consumers, however, were scarcely given a second thought. Consider for a moment our two major antitrust laws. The Sherman Antitrust Act of 1890 prohibits such things as price fixing, monopolies, and attempted monopolies. The Clayton Act of 1914, as amended in 1936 and 1950, prohibits such things as price discrimination and mergers that lessen competition. Yet it is child's play to compile a brief catalog of major antitrust decisions over the years whose effect has been to penalize business efficiency and success while ignoring consumer welfare. Any antitrust lawyer can do it.

In the *United Shoe Machinery* case in 1954, the Supreme Court found the company guilty of monopolization under the Sherman Act. The Court did this despite the fact that it also found the prices of United Shoe's products to be competitive, nondiscriminatory, and nonpredatory; that its customers were fully satisfied with its prompt and efficient service organization; and that its research organization was a model of "efficiency, intelligence, and vision." None of this mattered when it came to enforcing the antitrust laws. Think of it. Prices were competitive, consumers were happy, and United Shoe thrived because of this; yet its very success was illegal. Who were the beneficiaries of the decision? United Shoe's competitors.

The court could not have cared less about consumers; all it cared about was protecting Alcoa's competitors.

No one who had read the *Alcoa* decision by the Second Circuit Court of Appeals in 1945, however, would have been in the least surprised by *United Shoe*. The court there found that Alcoa, like United Shoe, had achieved its predominant position in the aluminum industry through superior skill, foresight, and industry, not predatory or other illegal practices. Prices were low. Consumers were pleased. But that did not matter. It was still an illegal monopoly under the Sherman Act. Why? Because the same superior competitive skills had given it a predominant position in the industry. As the court stated:

> It was not inevitable that [Alcoa] should always anticipate increases in the demand for ingot and be prepared to supply them. Nothing compelled it to keep doubling and re-doubling its capacity before others entered the field. . .[and] progressively to embrace each new opportunity as it opened, and to face every new-comer with new capacity already geared into a great organization, having the advantage of experience, trade connections, and the elite of personnel.

The court could not have cared less about consumers; all it cared about was Alcoa's less efficient, less innovative competitors, who had not been as capable of satisfying consumer demand.

In the *Great Atlantic & Pacific Tea* case in 1947, the then dominant A&P supermarket chain was found by the Supreme Court to be guilty of predatory practices and attempts to monopolize because its prices to consumers were under cost. Yet an empirical study by a Harvard economics professor twenty years later showed that no predatory pricing had occurred and that the only ones hurt by the government's action were consumers deprived of the benefit of the low A&P prices. The antitrust laws worked exactly as intended, and A&P's competitors were relieved of the burden of meeting those low prices.

And who can forget the great *Utah Pie* caper in 1967 where three defendants, Pet Milk, Carnation, and Continental Baking, were found guilty of selling frozen pies at discriminatorily low prices in the Salt Lake City market. The plaintiff, Utah Pie, had a new plant in the area, and the three defendants did not. In response to Utah Pie's aggressive price cutting, the three defendants lowered their prices in Salt Lake City while keeping them higher elsewhere. Utah Pie charged that its competitors' low prices in Salt Lake City were "subsidized" by their higher prices elsewhere and that this was discriminatory. Utah Pie only liked low prices when it charged them, not when others did. Through this competition, total market *sales* for frozen pies dramatically increased in Salt Lake City, but the market *prices* for frozen pies went down. The Supreme Court agreed with Utah Pie that consumers were not entitled to these low prices and found them illegal.

The *Borden* case in 1966 was similar in its adverse effect on consumers. Borden made evaporated milk. Some was put into cans with the Borden label on it, and identical milk was put into cans with private labels, mostly those of supermarket chains. Borden charged less for the private-label milk than it did for its own brand because consumers were willing to pay more for the Borden label. The Supreme Court thought that it was wiser for *everyone* to pay more and found the practice illegal.

The *Von's Grocery* decision in 1966 is another example of the Supreme Court's economic illiteracy. The Los Angeles market for food stores had been characterized by intense competition. In the ten-year period prior to the commencement of the government's lawsuit in 1962, the number of grocery chains in Los Angeles had increased from 96 to 150. The leading grocery chain's percentage of total market sales had dropped from 14 percent to 8 percent, and there were still over 3500 grocery stores in the Los Angeles area. But the Justice Department challenged a merger between Von's Grocery and another chain which would have given them control of only 1.4 percent of the grocery stores in the area. It did so despite the fact that mergers in such a highly price-competitive industry do not lead to higher prices, even in the short run. If anything, mergers lead to a more efficient use of assets, economies of scale, and lower consumer prices. The Supreme Court knew this well but nonetheless struck down the merger as a dangerous threat to competition, i.e., Von's competitors.

The Supreme Court's understanding that mergers are often beneficial to consumers had been revealed four years earlier by its 1962 decision in *Brown Shoe,* which has been called by antitrust scholar Robert Bork "the worst antitrust essay ever written." That case involved a merger between Brown Shoe, primarily a shoe manufacturer but also a retailer, and Kinney, primarily a shoe retailer but also a small manufacturer. At the time, there were more than 800

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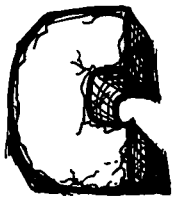
shoe manufacturers in the country; Brown had 4 percent of total output and Kinney 0.5 percent. Brown and Kinney together had only 2.3 percent of the nation's more than 70,000 retail shoe outlets. The Court candidly admitted that large integrated companies and chain operations were "beneficial to consumers" but said that the desire of Congress to protect "viable, small, locally-owned businesses" took precedence over consumer welfare even if "the maintenance of fragmented industries and markets" resulted in "higher costs and prices." And that is how many small, locally-owned businesses stay "viable": by charging higher prices to consumers behind the artificial protection of the antitrust laws.

The Supreme Court's hostility toward consumers and its benign concern for competitors continued in the 1967 *Procter & Gamble* case, where it held illegal P&G's acquisition of Clorox. P&G was not even in the laundry-bleach industry, but that did not matter. The Federal Trade Commission and the Supreme Court were concerned that P&G's size would enable Clorox to offer lower prices to consumers to the detriment of the competitors of Clorox. Too bad for consumers.

Antitrust laws are often the focus for political abuse and blatant corruption of the judicial process.

The Supreme Court takes a tough line on the "crime" of price fixing even when it can't be shown to hurt consumers. For example, in the early price-fixing case of *Addyston Pipe* in 1899, the Supreme Court ruled illegal a price-fixing conspiracy by six cast-iron-pipe manufacturers in the South, even though more than fifty of the "victims" of the conspiracy had testified of their delight with the resulting prices—which were, in one victim's words, "the lowest that could be obtained from any of the pipe works in the United States."

And while we are on the subject of price fixing, let's not forget the classic *Seagram* case in 1951, where Seagram had fixed *maximum* prices above which its wholesalers could not resell, though they were free to resell as far *below* the maximum as they wished. The Seventh Circuit Court of Appeals wisely found that fixing maximum prices in this fashion promoted competition and aided consumers, but the Supreme Court ignored that consideration and found Seagram in violation of the Sherman Act.



CONSUMERS ARE NOT THE ONLY victims of our antitrust laws. Public confidence in the integrity of government institutions has also suffered. As Adam Smith once wrote in commenting on price-fixing conspiracies, "It is impossible indeed to prevent such meetings, by any law which could be executed, or would be consistent with liberty and justice." Adam Smith was right. The antitrust laws are not consistent with liberty or justice. They have too often been enforced as a government favor to companies too incompetent to succeed in the marketplace but shrewd enough politically to set the feds after their more successful competitors, those who have pleased consumers.

As a consequence, the antitrust laws are often the focus for political abuse and corruption of the judicial process. Even during the heyday of their well-publicized price-fixing dinners with others in the steel industry ("gentlemen's agreements" they were called), Judge Elbert Gary and Henry Frick of U.S. Steel were openly and frequently entertained at the White House by Theodore Roosevelt, who personally gave them his written assurances of immunity against antitrust prosecution. Roosevelt's role in U.S. Steel's bargain-price acquisition of Tennessee Coal and Iron during the panic of 1907 was so gamy it led to a Senate investigation. Roosevelt stonewalled the investigation, refused to turn over any documents on the affair, and dared the Senate to impeach him. The Senate declined the challenge.

John Kennedy lost his cool in 1962 when the steel industry raised its prices after the White House had intervened in their labor negotiations and urged the United Steelworkers union to keep its wage demands "within the limits of advances in productivity." Kennedy also thought the steel companies had agreed to forgo a price increase (price-fixing conspiracies are apparently okay if the president is the chief conspirator) and thus took it personally when U.S. Steel, followed shortly by the rest of the steel industry, raised its prices $6 a ton. Furious at the steel industry's failure to comply with his new "voluntary" wage-price guidelines, Kennedy labeled "all businessmen . . . sons of bitches" and promptly turned to his brother, the attorney general, and the antitrust laws to get even. When reporters quoted alleged remarks by the president of Bethlehem Steel (subsequently denied) suggesting that poor little Bethlehem had raised prices because of unspecified pressure from U.S. Steel, the FBI dispatched agents in predawn raids on the reporters to elicit statements incriminating U.S. Steel.

And who can speak of political abuse and corruption in antitrust without recalling that the dairy lobby pledged $2 million to Nixon's reelection campaign in exchange for John Mitchell's killing an antitrust grand-jury investigation of the "conspicuously predatory behavior" of Associated Milk Producers, Inc. (AMPI), the nation's largest (and government-protected) milk-producer cooperative; or AMPI's shock in late 1971 when it found out that although Mitchell had turned off the criminal case, he had still authorized the filing of a civil suit. During prefiling negotiations on the civil case, Justice Department antitrust lawyers were openly concerned that AMPI's political influence might kill that case also. Incredibly, AMPI's lawyers contributed to this atmosphere by their heavy-handed references to the fact that their clients "were big political contributors." AMPI even suggested to Nixon's personal attorney Herbert Kalmbach early in 1972 that further campaign contributions might "alleviate their problems with . . . the antitrust suit." Kalmbach, who had been Nixon's bagman two years earlier for an illegal $100,000 cash contribution from AMPI, declined compounding his earlier felony. The civil suit was filed anyway.

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Antitrust almost begs for abuse of this kind, and when the practical effect of a law's enforcement is to protect special interests—special business and labor interests in the case of the antitrust laws—then those interests will inevitably crawl all over the government seeking to enhance their positions and benefits at the expense of consumers.

Some of the more recent applications of antitrust, however, have been aimed less at helping special interests than at specifically harming consumers. The most vivid example is the FTC's "shared-monopoly" theory in its "ready-to-eat cereals" case, which was recently dismissed by an FTC administrative-law judge after almost ten years of litigation. The case had its intellectual genesis back in the 1970s, when it was becoming increasingly obvious to FTC antitrust lawyers and economists that the concept of monopoly was not a useful weapon in litigation. There were several reasons for this. For one thing, monopolies were in short supply. Except for those that had been artificially protected by various levels of government—lawyers, doctors, public utilities, tobacco growers, sugar growers, citrus growers, taxicabs, peanut farmers, and the like—it was hard to find any consumers being gouged by monopolistic prices.

To find monopolies that weren't protected by government, you had to search more carefully and define your terms very precisely. And that could be hard work. The secret was in how the "market" being monopolized was defined. If the "product" market was sufficiently narrow and the "geographic" market sufficiently limited, you had a better chance. Even the small-town Chrysler dealer could be said to have a "monopoly" of Chrysler automobiles within the town boundaries.

Another problem was that when sufficiently prosperous "monopolies" were found, the ensuing litigation could drag on for years—as did the Justice Department's action filed in 1969 against IBM for monopolizing the market for mainframe computers. The IBM case has at last been dropped by the Reagan Justice Department for being "without merit." IBM today has more competitors on all fronts than it ever did in 1969, and the government hasn't had a thing to do with it, other than to redistribute a substantial portion of IBM's income into its lawyers' pockets. Consumers, in the meantime, have benefited from both IBM and its rivals.

But if monopolies were hard to find, "oligopolies" were not. Oligopolies are merely concentrated industries where a relative handful of firms produce a substantial portion of the industry's total product—the automobile and steel industries being two examples. Unfortunately for the FTC, oligopolies are not illegal under the antitrust laws so long as the individual companies do not actively conspire together to restrain trade. Such overt conspiracies are also hard to find, so hard, in fact, that FTC staff attorneys decided that a new legal theory was needed to deal with oligopolies.

The new theory was called "shared monopoly." It was to be applied to industries where four or fewer companies (a) produced at least 40 percent of industry output, and (b) collectively charged prices above "competitive" levels, thereby reaping "monopoly" profits. There are more than 300 industries in the country that meet the first specification. There are none that meet the second. That did not faze the boys at the FTC. Seeing that cereal manufacturers had little political influence, they chose Kellogg, General Mills, General Foods, and Quaker Oats to test the new theory.

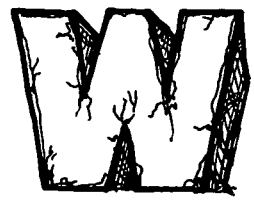
Consumers were evidently happy with the cereal manufacturers; sales were growing, new brands were proliferating, and prices were competitive. The basis of the FTC's complaint was that these happy consumers would be even happier with fewer choices for cereals and more competitors to choose from. The market was narrowly defined as "ready-to-eat cereals"—arbitrarily excluding items such as cooked or instant hot cereals, toast, donuts, frozen waffles, and other traditional fare to which consumers could turn if faced with monopoly pricing of cold cereals. The case, filed in April 1972, charged that the three companies

- tacitly conspired to avoid price competition,
- wasted money on excessive advertising,
- avoided competition for shelf space in retail stores, and
- engaged in brand proliferation to deter entry of new competitors.

Almost ten years later, an FTC administrative-law judge took one look at the irrational basis of the FTC's case and laughed it out of court. He found that

- there were no monopoly profits,
- prices by the cereal companies were "independent business decisions made in any effort to further legitimate business efforts,"
- advertising moneys were not wasted and it was inappropriate in any event "to mandate a 'socially optimal level' of advertising as a substitute for one reached as a result of competitive considerations,"
- each company vigorously competed for the most favorable shelf space it could get, and
- the companies engaged in "intense, unrestrained, and uncoordinated competition" in the introduction of new products, and there was no evidence of intent to deter entry of new firms into the industry.

The FTC had failed to prove a single aspect of its case despite nine and a half years in litigation against one of the most concentrated industries in the country (Kellogg, General Foods, and General Mills sell 80 percent of all cold cereals). Concentrated industry or not, competition thrived; consumer choices were prolific, and prices were competitive. The FTC's Bureau of Competition was so embarrassed it did not even appeal the adverse decision.



WHAT ARE THE CHANCES THAT the bias of antitrust against consumers will lessen during the Reagan years? Surprisingly, the prospects appear good even though Republican administrations have traditionally been more vigorous in antitrust enforcement than their Democratic counterparts. Last summer, the Reagan Justice Department declined to oppose the massive DuPont-Conoco merger. Last fall, it ended a probe of Kodak and dismissed a suit filed nine years earlier against General Electric. Most significant of all, this January it dropped its twelve-year vendetta against IBM and reached a settlement with AT&T that allows the giant telephone company to compete in most telecommunications and data-processing markets. (As of this writing, the courts have not yet approved the settlement.) Even the FTC took a cue from all this and dropped its shared-monopoly action against the eight major oil companies.

William Baxter, the new head of the Antitrust Division of the Justice Department, has taught and written about antitrust and economic regulation for over twenty years as a law professor. Defying ninety years of case law to the contrary, he actually believes that enforcement of antitrust

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laws should be used to benefit consumers, not special interests. As he said in 1978:

> From 1890 to the present day there has been one underlying controversy which, at least in its importance, if not in the verbiage devoted to it, both dominates and underlies the many other controversies that have marked the field of antitrust. That fundamental conflict is over the purposes which the antitrust laws should be assumed to serve. My own position is that those laws serve one purpose and one only: the welfare of consumers. . . .

Baxter is intellectually associated with the Chicago school of antitrust law and economics, which includes such free-market economists and leading antitrust critics as Yale Brozen, Richard Posner, and Sam Peltzman. Robert Bork, former solicitor general under Presidents Nixon and Ford, is also a Chicago-school adherent, and his book *The Antitrust Paradox* will undoubtedly serve as the bible for Antitrust Division lawyers throughout the Baxter years. Bork, who was recently nominated by President Reagan to fill a vacancy on the U.S. Court of Appeals, for the District of Columbia Circuit, is reported to be a leading contender for the next Supreme Court vacancy. His book is both a masterly defense of the minimal enforcement of antitrust laws, which Baxter and the other Chicagoites advocate, and a devastating critique of traditional antitrust theory, from monopolies down to price discrimination.

Baxter's consumer-first approach to antitrust fails to see economic freedom as a desirable end in itself.

Baxter has already made his influence felt throughout the regional offices of the Antitrust Division. No investigation can be initiated by a regional office without approval of the Office of Operations in Washington, and as one antitrust lawyer in a regional office said, "We simply are not sending in any new investigation requests which we know will not be approved." That means no price-discrimination cases, no monopolization cases, and no cases against producers who set prices for their retailers—only some price-fixing and large merger cases. As a consequence, fewer investigations are being initiated, and some division lawyers are "gun-shy" about initiating new requests.

The problem with Baxter is that an antitrust policy based on economic rationality and consumer welfare may well turn out to be more popular than previous policies (it will certainly be less harmful to the operation of free markets). We must not allow the original purposes of the antitrust law—the protection of special interests against competition—to be obscured by Baxter's devotion to consumers. If that happens, antitrust laws may continue on for a second century, which is not a happy prospect.

Regardless of Justice Department policy, for example, private companies can themselves make use of the antitrust laws that remain on the books. With the Clayton Act provision for tripling all damage awards, private antitrust actions have been a lucrative pastime for plaintiffs and their lawyers. They also became, during the 1970s, a valuable weapon in business for use against competitors. Two of the biggest victories were Control Data's settlement of its suit against IBM and Berkey Photo's judgment against Kodak, from which both plaintiffs emerged in a better position than they had been able to achieve by their own efforts in the marketplace.

As a consequence, when prudent lawyers counsel their clients on compliance with antitrust laws, they do not limit their advice to the present enforcement priorities of the Antitrust Division or the FTC's Bureau of Competition. They always take into account the possibility of private suits and the nature of previous court decisions, not the law-review articles of William Baxter and Robert Bork.

There is a more fundamental problem, however, that Baxter's approach shares with traditional concepts of antitrust: his continued readiness to use the force of law to compel results he deems economically desirable.

Even minimalist antitrust supporters like Baxter and Bork believe that certain practices—such as price fixing, or horizontal mergers that produce a monopoly—should be prohibited because they do not maximize consumer welfare in the short run. As Bork writes: "Antitrust is valuable because in some cases it can achieve results more rapidly than can market forces. We [presumably consumers] need not suffer losses while waiting for the market to erode [price-fixing] cartels and monopolistic mergers."

The error that Chicago-school adherents like Baxter and Bork make in their "consumer-first" approach to antitrust is in failing to appreciate the fact that freedom is a desirable end in itself. They don't recognize the rights of owners (and corporations) to dispose of justly acquired wealth as they see fit. They believe that freedom in the market must always take a back seat whenever it does not lead to a maximization of consumer welfare. The fact that free markets benefit most consumers most of the time is not enough for them. They aren't content to let market incentives encourage the entry of competitors into markets where prices are kept artificially high by "monopolies" or cartels. They want perfect "efficiency." And in their drive for perfection, they are willing to leave intact, rather than abolish, the very antitrust laws that have been used to abuse and harass businessmen and consumers for more than ninety years.

People in a free society are not perfect, and neither are people in a free market. Mistakes are always being made. Antitrust laws have been used, from the beginning, to protect inefficient companies from their mistakes and to penalize their more successful competitors, usually at the expense of consumers. In this fashion, business mistakes are perpetuated, and the attributes that produced them are encouraged.

Left unhampered by political intervention, however, free markets correct mistakes automatically. The process isn't instantaneous, to be sure, but businesses do continue to go bankrupt every day. When governments intervene in the operation of free markets because they do not like certain methods or results, they too can make mistakes. Governments are made of people, too. Except governmental mistakes are called "laws" (or "rules" or "regulations"), and they are not corrected automatically. Ninety years of antitrust decisions depriving consumers of the benefits of free and open competition are testimony to that. It is time to call a halt.

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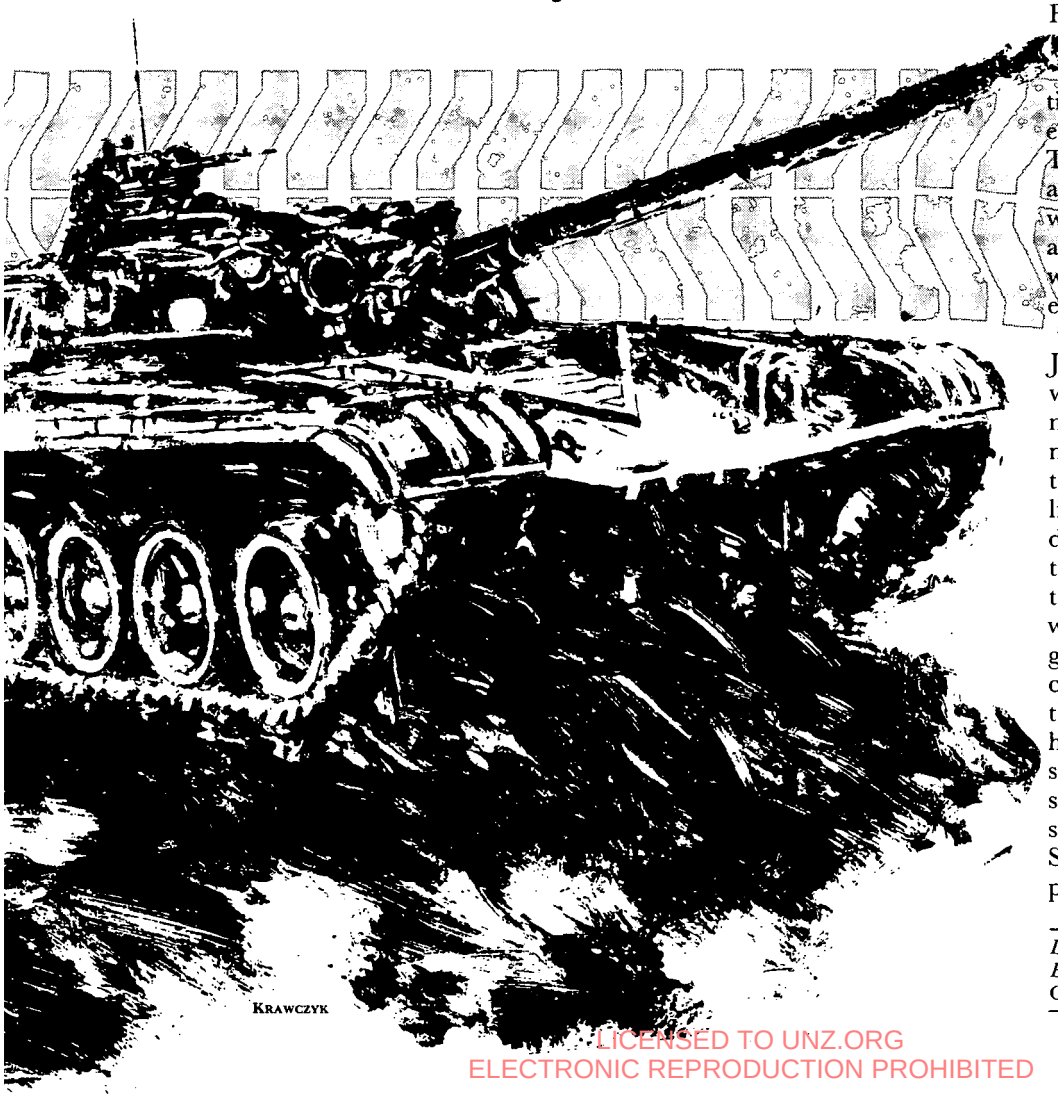
POLAND

EYEWITNESS TO TERROR

Poland's workers thought they had nothing to lose but their chains. But the Communist generals had other plans and sent the tanks rolling in.

by Sue Masterman



IT IS EASY ENOUGH TO BE wise after the event, and to say that there were signs warning that a drastic move was coming in Poland. The Poles certainly did expect something to happen, but they did not expect it on December 13, and they did not expect it to be half so severe.

What they were looking for was some kind of state of emergency toward the end of January or mid-February, depending on the energy situation. Most Poles do not realize that in the Polish constitution there is no provision for a state of emergency; there is only war or peace. There are two Polish words for war: against an enemy within the country, which is the situation now, and against an enemy outside the country, which is what Poland's present leadership is battling to avoid.

That was why General Wojciech Jaruzelski, who prior to military rule was the first secretary of the Communist Party, prime minister, defense minister, and commander-in-chief of the army, desperately wanted parliament to give him special power to declare emergencies and enforce extraordinary measures. Solidarity's threat to strike if the measures passed was undoubtedly a major factor in the general's decision to abandon democratic niceties. Nevertheless, it was not the only one. Preparations for the coup had begun long before and went on all summer, sometimes thinly disguised, sometimes quite openly. During Warsaw Pact summer maneuvers the Soviet and Polish armies jointly built a parallel system of telephone and telex

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communications that rendered the civilian system expendable. And General Jaruzelski sent small control groups of officers and soldiers out to 2000 country districts, to collect independent information on the situation there. Later he ordered a similar exercise, using larger units, in the towns.

There were other preparations. The leaflets proclaiming martial law had been printed, undated, on Soviet presses. Polish army uniforms had been flown to Russia so that Soviet officers could, if necessary, steal command of Polish troops from their potentially balky officers. And Solidarity was aware of some of the developments; in November, union leaders intercepted a top-secret directive from the prosecutor-general in Warsaw to his deputies in thirteen of the country's forty-nine provinces. It ordered them to collect, by fair means or foul, defamatory information about fourteen Solidarity leaders for use in subversion trials. (The prosecutors did their job well; the information collected—including reports on the activities of the union leaders' families during World War II—has had top billing on Polish radio and television since the crackdown.)

Yet the Poles refused to believe it could happen. They scoffed at the suggestion that Warsaw Pact countries would send troops. This was no Czechoslovakia, no Hungary; there would be no quick pacification but instead a bloody repetition of Afghanistan with all its consequences—including an inevitable Western trade boycott of the whole Warsaw Pact. Poland was bigger than previous Soviet victims, the Poles would say. Polish soldiers had a large bone to pick with the East Germans, and in any event they would defend their own countrymen rather than communism or the Warsaw Pact. Best of all, the Poles would laugh cynically, was their own immense debt to the West. That was their best deterrent—Russia could never afford to take it over.

The Poles were wrong. On December 12, the day before the crackdown, Warsaw Pact commander Marshal Viktor Kulikov visited the Polish capital. Perhaps he threatened an invasion if Jaruzelski wouldn't act; perhaps he told Jaruzelski that the Soviets had already decided to move in, and named the date—and Jaruzelski then jumped the gun to spoil the Russian plan. There is much evidence to suggest the latter.

I was in Warsaw from December 9 through 23, and it was quite apparent that the official line shifted on the third day of military rule, indicating a deep split in opinion among the twenty-one-member military council. Then it shifted back again. The council seemed to be wavering between Jaruzelski's milder style and a hard Stalinist line. And in his radio speech broadcast round the clock on the first day of the coup, Jaruzelski spoke of "avoiding the threat of bloodshed" and "preserving Poland's national identity"—Eastern European jargon indicating a Warsaw Pact intervention had been at hand.

Perhaps the best evidence that Jaruzelski upset everyone's plans is the subsequent rage of the other Warsaw Pact countries. While their propaganda machines poured out promises of aid for the new Polish rulers, in fact Poland's communist neighbors were doing all they could to make life difficult for the country. East Germany, Czechoslovakia, and the Soviet Union all refused the Poles permission to fly over their territory. As a result, most of the few planned charter flights out of Poland were cancelled, and those that did fly had to go up over the Baltic. My own flight back to Zurich took three hours, twice as long as normal, which must have cost the Poles a large share of their acutely small aircraft-fuel reserves. Those leaving Poland by train to Vienna or to East Berlin were frisked much more thoroughly by the Czechoslovak and East German customs agents than they were by the Poles themselves. There were disgusting incidents; it was not uncommon to see Poles—even those who had foreign passports—being stripped naked on station platforms in subfreezing weather as their trains whisked away.

Then came the first convoy with "aid" from East Germany, rumbling ostentatiously into Warsaw's Victory Square. In the center of the square is a cross of flowers, measuring about thirty feet by twelve, to mark the spot where the pope celebrated mass for the first time on his return to Poland; it is also the spot where the coffin of the legendary Polish primate, Cardinal Stefan Wyszynski, lay during the requiem mass for him in May. That cross, with a portrait of the cardinal in the middle, has been tended with loving care since then, growing every week as new flowers were added. It was a typically Polish way of telling the government they wanted a memorial built on the spot. On the morning before the East Germans came, snow plows had cleared the square, carefully building a snow wall around the cross. But the East German trucks parked on the square overnight. When they left the next morning the cross had been driven over, the remains kicked to shreds, and the cardinal's portrait was gone. During the day, guards kept people away from the scene. But in the darkness of the curfew hours from 10 P.M. to 6 A.M., the cross was reconstructed. The next night the candles burned around it again.

This is typical of the "aid" the Poles can expect from their allies, but they return it in kind. The first thing Jaruzelski did after proclaiming military rule was cordon off the Soviet embassy for its own protection; angry mobs were gathering there. And when Western radio correspondents tried to record that Sunday's church service, the congregation cursed them as "KGB agents."

LOYALTY TO THE POLish army, however, has remained unshaken. (This in spite of the fact that numerous "Polish" soldiers are Soviets in borrowed uniforms. Many Poles report hearing Warsaw tank crews talking among themselves in Russian. Soviets infiltrated the Polish army during the 1976 unrest, too.) Most of the soldiers, after all, were drafted. I saw people bringing cigarettes and tea to patrols huddled around coal fires on street corners, shivering in zero-degree cold. At one checkpoint my interpreter asked a soldier if he would really shoot us if we drove by without showing our papers. His face turned grim. "Before I shoot another Pole," he answered, "I'll put a bullet through my own head." Other correspondents reported similar comments. Many reports from Gdansk, where shipyard workers struck after the coup, said damage there was much lower than it might have been because the army—rather than the much-loathed professional paramilitary forces—was assigned to keep order. The paramilitary and the SB (the special police, who have assumed the role of a Polish gestapo) are detested by all Poles. These security forces have a particular grudge against Solidarity, since the union successfully demanded an end to their special medical care,

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shopping privileges, and other perquisites.

The bitter hatred between these groups became apparent as reporters unraveled the mystery of the violence at the Wujek coal mine in Silesia, where armed forces broke up a strike and killed at least seven workers, possibly many more. Two days later the party newspaper *Trybuna Ludu* described the province governor's visit to hospitals to see the casualties. The last group he visited, the paper said, was a special paramilitary unit suffering "mainly injuries to hands and feet." They were injured, we learned through the clerical grapevine, after the coal miners captured about twenty of the paramilitary troopers and smashed their hands and feet with sledgehammers and even hacked off their arms with pickaxes. The government censor didn't stop us from transmitting this news to the West—after all, it reflected badly on the union—but the question remained: What had the paramilitary unit done to make the coal miners go berserk?

Only when I returned to Vienna did I get the answer. Swiss workers who had aided the injured and talked to dozens of eyewitnesses gave this account:

An army commander gave orders to open fire on the coal miners, but the troops refused. The officer who led them was court-martialed and executed a few hours later. Paramilitary troops were called in. After they disarmed the soldiers, the paramilitary moved in, armed with machine guns, fixed bayonets, and nail-studded boots and gloves. (They spoke to each other in Russian.) In the darkness they surprised the miners and did a fearful amount of damage before the miners turned on them.

Besides the persistent reports of armed forces speaking Russian, another indication of the heavy Soviet involvement in the crackdown is that BBC Polish-language broadcasts are being jammed not by Poland but by the USSR. Particularly galling to the Russians was the fact that—especially in the first days, when there was no communication at all to the West—BBC was the best informed of all the news services. Eventually this began to nettle the Polish authorities, too. At a December 21 press conference, two of the highest government spokesmen, Jaruzelski's advisers Jerzy Urban and Captain Wieslaw Gornicki, finally gave BBC correspondent Tim Sebastian a furious public tongue-lashing. (Their private threats to Sebastian had already prompted him to send his wife and children out of the country.) But Urban and Gornicki didn't get out unscathed; for the first time in my memory, the reporters began screaming at officials. It happened after one of the spokesmen said that the thousands of internees were being held under humane conditions. They could "go for a walk in the garden" if they wanted to, one of the spokesmen said.

Since we knew that many were being held in tents, wearing no more than the pajamas they had on when they were arrested, as temperatures plummeted well below freezing, the reaction was spontaneous and angry. "You goddamn liar!" shouted an American television reporter. The German reporters began bellowing that the spokesmen were "filthy swine," and quickly most of the rest joined in. The Polish officials sat through it in shock, constantly exchanging expressionless glances like so many goldfish. Doubtless they were wishing they had kept this press conference in the mold of the last one. The first question then had been, "What has happened to the internees?" The answer was, "Next question."

Bold as it was, the claim that internees were attending some sort of summer camp was not the regime's biggest attempt at deception. That, surely, was the tape of Solidarity leader Lech Walesa's speech at a union meeting two weeks before the crackdown. Although it was a closed session, the government evidently had the meeting hall bugged—for the next day the party leadership had a full transcript and used it to create the impression that Solidarity was planning to take over the country. Walesa's speech was broadcast on Polish radio at the time, and again after the crackdown. As a radio journalist I was amazed at how transparent a fraud it was; the tape had obviously been edited and altered. There were abrupt changes in speech rhythm, tape noise, and voice level—often in midsentence. And there were odd gaps between words.

In the final weeks before the military takeover, there were disagreements within the union about how to proceed. And at public meetings the Solidarity members often seemed shockingly unmindful of the fact that they were still living in a Communist country. The most obvious example of Solidarity's dancing on the Kremlin's toes came in September when the union's first congress proclaimed its support for independent trade unions in other Communist countries—unions that can only function underground. The presence of the Western press, magnifying the importance of every word, didn't help matters. But even when Solidarity tried to meet in secret, the government always seemed to get hold of a tape recording of the proceedings.

Nevertheless, Walesa was still very much in control of Solidarity, and later claims by the military authorities about union plans to take over the country without Walesa's help were just hot air. Solidarity's rank and file would not accept a decision he opposed. And when I last spoke to him at length, late in September, he was still resolutely determined to steer the union away from politics and back into calmer waters. But "these are extraordinary times," he added with unconscious irony, "and unfortunately demand extraordinary measures."

*IF THE UNION'S IMMEDI-*ate behavior, rowdy as it was, did not justify a state of war, then what did? Broader economic factors are the next most likely cause. Poland's crippling debts to the West and the mismanaged use of Western loans had helped bring the country to its knees. Meanwhile, workers were hardly inspired to greater efforts by the fact that, however much they earned, the goods they wanted to buy were not there. The government's recent decision to reserve the few luxury goods produced—from washing machines to color TVs or even cars—for sale to farmers in exchange for meat did not help.

Poland's economic deterioration is best illustrated by the black-market value of the dollar, with which goods can be bought in special shops that sell import goods for hard currency only. Four years ago the black-market rate held fairly steady at a 3-to-1 ratio against the official rate—that is, the official rate was 33 zlotys per dollar, while the black-market rate was 100 per dollar. Last year it crept up to the 6-to-1 mark. By September it was approaching 12 to 1. Just before the crackdown it was 25 to 1.

The Communist regime failed, first under Stanislaw Kania and then under Jaruzelski, to come up with a concrete plan for economic reform.

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People might have worked harder had there been even a thin silver lining to the economic thundercloud. The Communist Party appears to have been simply incapable of rethinking the five-year plan into something more relevant to the immediate crisis.

A classic example of the contradictions of socialist economic planning is that it is cheaper for farmers to buy bread from bakers to feed their livestock than to buy animal feed—or to use their own grain, which they could sell to the state at a higher price. As food became more scarce—much of it was being exported to keep foreign debt under control—workers' health declined. Most Poles suffer from borderline malnutrition. Just before the crackdown, I obtained two government reports—now back under wraps—that illustrate the nation's despair.

One, from the Ministry of Health, says that half a million Poles will die this winter from lack of basic foods, medicines, and energy. The military crackdown, with its restrictions of movement between provinces, its direct control of industries and factories, and its vicious attack on the independent union, has done more damage to the economy in a matter of weeks than the whole Communist system has managed to achieve in thirty years—so half a million may be a conservative estimate.

The second report, from the Ministry of Education, said the rate of learning in the nine-to-twelve age group has fallen considerably in the last two years. Causes: frequent illness, fatigue, and lack of concentration—all tied directly or indirectly to malnutrition.

THE CRISIS ENVELOPing Poland is being repeated in microcosm at the very top, in the circles of the military council (which the generals have named, without a blush, the Military Council of National Salvation). The confusion and conflict on the council itself raise two questions: Who is actually ruling Poland? And, did Jaruzelski indeed prevent a Warsaw Pact intervention, or was this an intervention by proxy? As I said before, there was a period of about a week, starting on the third day of military rule, during which it seemed that Jaruzelski was no longer in control. The police sweeps got more vicious, the treatment of internees worsened, the promised extra bread and milk supply began to dry up, and the propaganda warfare on radio and television escalated. It seems that most of the rest of the military council was composed of pro-Soviet men who often acted on their own and took an uncompromising hard line when they did consult one another. But reliable sources say that at this point Jaruzelski threatened to resign if direct and indirect Russian pressure did not ease, and to commit suicide if a number of proposed measures—including the outright banning of Solidarity—were not scuttled. His gamble succeeded; a group of eight, four generals and four members of Poland's politburo, emerged to take charge of basic decision-making. The eight represent both liberal and orthodox factions from both institutions.

The Communist Party itself has taken a terrible pounding. Two years ago there more than 3 million members; after Solidarity was formed, membership shrank to just over 2 million. In the last few weeks it is believed to have been halved again. If anything, this has strengthened the party's pro-Soviet bias, for almost all that is left is the orthodox hard core. Jaruzelski appears to have plans to disband this "Polish United Workers Party" altogether and to create a new Polish Socialist Party in its place. (The Poles have always called themselves socialist, not communist.)

Will it work, at least in the short run? Will Poland get back on its feet? Who knows?

In a country where, for a month, all telephone and telex communications have been severed, where international traffic has been cut to two trains and two ferries a day, where traffic between the forty-nine provinces is at a standstill, and where all mail is censored, it is impossible to assemble an accurate picture. No one knows whether people have returned to work, or whether life has any semblance of the "normality" that the military regime claims exists. There are many independent accounts of sabotage and growing evidence of underground activity by the union members who got away. Walesa, wherever he may be, has stuck to his policy of not negotiating with the government without the presence of the union's national executive. And the Roman Catholic church is more important than ever. What little news there is comes through the church; since those over sixty may travel without too much difficulty, it is the elderly priests and nuns of Poland who have become couriers and feed the church's highly efficient grapevine. The pope appears to have obtained concessions in the form of better internment conditions for some, and other church officials are pressing—sometimes quietly, sometimes noisily—for more.

But overall it is hard to be optimistic. Jaruzelski knows his countrymen are temperamentally ill-suited to military rule, and if it goes on too long or too hard they will simply launch themselves into a kind of collective suicide by refusing to work. And Jaruzelski has little reason to love the Soviets; a dozen members of his family died in Russian labor camps during World War II. But what else can he do? In the absence of fundamental economic changes, all the conditions that made the crackdown necessary still exist. If anything, the economic picture is much worse now; even the Polish Ministry of Agriculture agrees that with the best luck in the world it will take farmers ten years to get their cattle breeding stock back up to 1980 levels. The country narrowly averted defaulting on its huge Western loans last month when $350 million mysteriously appeared to make interest payments. The money can only have come from the Soviet Union, and it was doubtless accompanied by a high political price tag. Regardless of how much the Soviets prattle about the interference of other countries in Poland's affairs, it is they who control Poland's destiny. As long as that remains the case, the Poles face a grim future.

They may take some morbid comfort in the fact that they will not face it alone. The Polish economy, particularly the mining industry, plays a key role in the economies of the other Warsaw Pact countries. Even before the military crackdown many Eastern European countries were bitterly blaming the Poles for their worsening economic lot. Supplies of consumer goods may be even lower in Rumania than in Poland; Czechoslovakia has an acute energy shortage; and East Germany shows signs of the "Polish disease," serious labor unrest. Poland's economic problems are not isolated; they are part of a much wider crisis affecting all of Eastern Europe. And the ripples from the brick that Poland dropped in Communist waters are spreading further every day. ❑

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NTP News Report

Part I

THE MOST IMPORTANT MONEY/POWER DISCOVERY SINCE THE INDUSTRIAL REVOLUTION

Frank R. Wallace, Ph.D. — Interviewed by NTP Columnist Eric Savage © 1982

The discovery of an entire new field of knowledge has been made by Dr. Frank R. Wallace*, a former Senior Research Chemist for E. I. du Pont de Nemours. Since mid-1976, Dr. Wallace has worked to uncover a powerful array of new knowledge called Neo-Tech. That new knowledge allows ordinary people to prosper — even flourish — anywhere in the world. ...I interviewed Dr. Wallace at his home in southern Nevada. Below are edited portions of the interview that explain his discovery:

NTP: What is Neo-Tech? How can I benefit from it?

WALLACE: Neo-Tech has its roots in the constant financial pressures and incentives to develop the easiest, most profitable methods of gaining advantages. Over the decades, gamblers, salesmen, businessmen, politicians, lawyers, entrepreneurs, Don Juans have secretly searched for shortcuts that require little skill but contain the invisible effectiveness of the most advanced techniques. I've identified those shortcuts and honed them into practical formats called Neo-Tech.

Neo-Tech is the consummate evolution of achieving success. Neo-Tech is a new knowledge that has nothing to do with positive thinking, religion, mysticism, or the occult. Once a person is exposed to Neo-Tech, he can quietly profit from anyone. He can prosper almost anywhere on earth and succeed under almost any economic or political condition. Neo-Tech applies to power and money-gathering techniques — to situations involving the transfer of power or money.

Believe it or not, I first sensed Neo-Tech through poker — the money game, the international strategy game. Strange how a discovery so important as Neo-Tech started with something so restricted as poker. Indeed, poker is just one rather insignificant area involving the transfer of money in which a person can profit through Neo-Tech methods.

Subsequently, I pursued Neo-Tech beyond cards to uncover far greater advantages in competitive situations involving work, business, politics, and personal relationships. Neo-Tech applies to all winning situations: Neo-Tech is a new, scientific method for collecting unbeatable advantages everywhere.

NTP: Can people really get rich by using Neo-Tech? Or is Neo-Tech like cheating . . . is Neo-Tech a metaphor for cardsharps, con artists, dishonest merchants, greedy politicians?

WALLACE: To answer your first question: yes, people can get rich by using Neo-Tech. But is Neo-Tech like cheating or for con artists? Definitely not. In the first place, Neo-Tech can be used honestly and ethically. In the second place, Neo-Tech is *not* based on fraud, collusion, gall, hustling or swindling as are most cheating techniques and con jobs. Indeed, Neo-Tech requires no special skill, devices, or nerve. Neo-Tech requires no risks or changes in life style — only a new quiet knowledge that generates profits and power. And Neo-Tech is easy because its techniques arise from the essence of all shrewd winning. Neo-Tech is so subtle that no one can ever prove a person is using its techniques. The Neo-Tech man has the power to render others helpless, even wipe them out, but he wisely chooses to use just enough of his power to give him unbeatable casino-like advantages in all endeavors. His Neo-Tech maneuvers are so subtle that they can be executed with casual confidence. His hidden techniques let him win consistently and comfortably — year after year, decade after decade. Eventually, Neo-Tech men and women will quietly rule everywhere.

And certainly, Neo-Tech will someday dominate most winning situations as it spreads into business and personal relationships. ...No, Mr. Savage, Neo-Tech is not in any way like cheating. In fact, the Neo-Tech man displays characteristics opposite to those of cheaters as shown by this comparison chart I have here in my notes on Neo-Tech:

Dr. Wallace's Chart #1

CONTRASTING CHARACTERISTICS

The Cheater	*The Neo-Tech Man*
Tries to set overwhelming, heavy odds in his favor	Sets unnoticeable, steady odds in his favor
Strives for big-killing, today — wants to wipe out victims	Maintains good profits for as long as he chooses — wants to keep everyone going
Big-win approach, one-shot or short-range oriented	Maximum-win approach, steady or long-range oriented
Views opponents as enemies	Views opponents as assets
Often makes victims unhappy while creating tense, traumatic atmospheres	Usually makes everyone happy while creating friendly, easy-going atmospheres
Often stiff and nervous	Always relaxed and confident
"When should I do it" feeling — cheats at every opportunity	Knows exactly when to apply Neo-Tech — applies Neo-Tech selectively
Keeps people from watching him closely. Uses distractions and concealments	Lets people watch him. Needs no distractions or concealments
Causes suspicion with cheating moves — fears all opponents	Eliminates suspicion with Neo-Tech moves — fears no one
Worries that his cheating will be seen	Knows that Neo-Tech cannot be seen
Fears his telltale characteristics	Works in relaxed harmony with his natural characteristics
Worries about the consequences of being caught in the act	Knows he cannot be caught in any act
Is negative in every way	Appears beneficial in every way
Controlled by surroundings	Controls surroundings

NTP: Their characteristics are opposites. The Neo-Tech man is in complete control.

WALLACE: True. But their differences go much further. Consider this: Alert or knowledgeable people can usually detect cheating especially in business and politics — unless the cheater has acquired great skill through years of laborious practice and experience. Even then, the expert cheater must execute each strategy perfectly, every time, putting him under great pressure. Thus, if he makes one slip or one wrong move, he becomes obviously guilty once caught, leaving him to face the consequences. That fear of being caught haunts most

About Dr. Frank R. Wallace

** During his 12 years at Du Pont's Brandywine and Chestnut Run Laboratories, Dr. Wallace was involved in several major research projects, including the catalytic conversion of salt and sand into chlorine and water glass to reduce the cost of raw materials for industry (Wallace holds the basic patent); the development of commercial flexible nylon used in the auto industry to improve fuel and brake systems; flame retardant nylon to improve the safety of electronic products; fluorocarbon wire coating to improve the efficiency and safety of aircrafts, space vehicles, and missiles; high-definition acrylics to reduce the cost and enhance the appearance of signs; and medical uses for man-made fibers, including new leads to disease cures. Dr. Wallace is also the author of several books, the author of many magazine articles (including the first-place, national award-winning article about the bicameral brain), the former editor of a national magazine , and a marathon runner. In addition, he is a former professional poker player and the author of the world's best-selling poker manual, "Poker, A Guaranteed Income for Life by using the Advanced Concepts of Poker", Warner Books, New York. 359 pages.*

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cheaters and overwhelms countless potential cheaters.

By contrast, Neo-Tech can be completely honest while ironically requiring less skill and effort than cheating techniques. And the Neo-Tech man's techniques are invisible. So even if suspected, he can never be accused — his tactics actually eliminate any suspicion. Indeed, he can always avoid the consequences because he can never be caught in any questionable act. Moreover, he can use Neo-Tech honestly for both defense and profit. ...The Neo-Tech man works in relaxed harmony with his natural characteristics.

NTP: Who exactly is the Neo-Tech man?

WALLACE: I will begin by saying this: Traditionally, the world's most successful people spent years secretly uncovering various shortcuts within their particular fields. They became specialists in their fields by using those shortcuts to efficiently control people and key situations.

Neo-Tech, on the other hand, hones all at once every shortcut secretly discovered over the decades into a powerful array of highly practical, marksman-like formats. With those Neo-Tech formats, a person immediately becomes an expert specialist not just in controlling one particular field, but in controlling all situations involving money and power.

So to answer your question: The Neo-Tech man is a man of quiet power — a person who cannot lose. He can control any situation or anyone unknowledgeable about Neo-Tech...man or woman.

NTP: What actually makes him so effective?

WALLACE: Like I said before, the Neo-Tech man has the power to render others helpless, even wipe them out, but he wisely chooses to use just enough of his power to give him unbeatable casino-like advantages in all endeavors. Let's go back and draw an analogy to cards where it all began. Anyone can quickly become a player who cannot lose. Indeed, through Neo-Tech techniques, an average player can increase his advantage so greatly that he can break most games at will. He can win fast — very fast — in poker, blackjack, bridge, and gin. He can immediately and consistently acquire large chunks of money, $2,000, $10,000, or more in a single day, repeatedly. But he usually avoids winning too fast by withholding Neo-Tech's full power in order to extract maximum, long-term money from opponents. He fears no opponents. He can quickly impoverish anyone he chooses; and they'll never know what hit them. ...But even greater profits are available by using Neo-Tech in the real world.

NTP: What about Neo-Tech in the real world?

WALLACE: A person can use Neo-Tech to immediately gain advantages needed to prosper in business and in personal relationships. Additionally, he can never be taken advantage of again in any business transaction or personal contact; his Neo-Tech knowledge protects him. Neo-Tech arms him with a deadly sword and a sturdy shield: Knowledge about Neo-Tech is the best insurance policy anyone could own. More importantly, with that knowledge, a person quickly gains the power to make more money in a week than many people make in a full year without that knowledge. But remember my stressing using just enough Neo-Tech Power to gain unbeatable advantages and long-term profits not just in cards but in all endeavors. Indeed, the Neo-Tech man or woman finds lifelong security and strength in Neo-Tech. ...I'm going to show you a chart that demonstrates how a person gains profit and power from Neo-Tech in the real world where advantages and power really count.

Dr. Wallace's Chart #2

NEO-TECH DELIVERS PROFITS AND POWER
BY TEACHING...

In Cards (Where Neo-Tech was first discovered)	*In the Real World* (Where Neo-Tech really counts)
How to become an unbeatable winner	How to gain advantages needed for financial and social success
How to command winnings	How to command profits and respect
How to control any player, game, or even a network of games	How to control business deals and emotional situations to acquire money and power
How to quickly wipe out opponents	How to subjugate a business or personal adversary
How to win fast	How to quickly profit through specific business actions or personal relationships
How to slowly drain opponents, game after game	How to gain long-range strategic advantages that allow one to win in business or personal situations, year after year
How to extract maximum money *from opponents*	How to make the highest possible *profit in business and gain the* maximum satisfaction in social or personal relationships
How to easily detect, reject, or beat cheaters (without any hassle) ...how to destroy cheaters	How to easily detect, reject, or beat dishonesty in business or personal relationships...how to dismiss or punish people who hurt you
How to welcome good players and make them contribute to your winnings	How to welcome competitors in business or personal life and make *them contribute to your success*
How to gain a substantial income, year after year	How to become successful in business and personal life by using Neo-Tech to find permanent prosperity

(chart continued on next column)

NTP: Your chart is saying that people can use Neo-Tech to control almost anyone, coming or going.

WALLACE: That's right. Neo-Tech transfers money, power, and prestige from the uninformed to the informed. Those informed can automatically take control of most situations involving money and power. But that chart ends where the real value of Neo-Tech begins, ranging from winning a lover to becoming exceptionally competent, to becoming a key employee, to gaining substantial raises, to predicting stock prices . . .

NTP: Wait a minute! Neo-Tech can predict stock prices?

WALLACE: Yes, quite reliably.

NTP: How?

WALLACE: First, a person must realize that a company is worth no more or no less than its free market price — its common stock price. The value of a company (its common stock price) in the long-term is determined by the ability of its management. Executives are hired by the stockholders for one reason only . . . to enhance the financial health of their enterprise in order to increase profits and common stock prices. The value of an executive is determined by the extent that he provides that service. And he can deliver that maximum value by using Neo-Tech. Indeed, the more an employee — from the hourly worker to the highest paid executive — uses Neo-Tech, the more successful he becomes. And the more management uses Neo-Tech the more that business will flourish and the more its stock price will increase. Thus, to predict stock prices, use the *Neo-Tech factor . . .*

NTP: The Neo-Tech factor .... That could be really important, couldn't it?

WALLACE: Indeed, it can make one increasingly prosperous.

NTP: You mean a lot of people will get rich using the Neo-Tech factor.

WALLACE: Yes, it is the coming wave to prosperity. A lot of people will become wealthy . . . and happy.

NTP: How quickly will Neo-Tech spread into business?

WALLACE: The best way to answer that is to realize how Neo-Tech sharply reduces the time and effort to profit consistently. Begin with cards, for example. What is happening in cards today indicates what will happen in business tomorrow. Within days after gaining this knowledge, people can safely bankrupt opponents — or slowly profit from them, week after week. People can immediately extract money and prestige from any winning situation...from any card game — from the easiest Friday-night game to the toughest professional games. Likewise, people can benefit from business endeavors — from dealing with the boss to the biggest oil deal. People can also benefit from any relationship — from gaining respect of peers

(continued)

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to inducing love from a partner. Yet, no one suspects the Neo-Tech man or woman.

Naturally, as people gain this knowledge, they will immediately begin using its techniques because they are irresistibly easy, yet completely potent. Thus, as people find out about Neo-Tech, it will automatically spread throughout the world. ...Neo-Tech will become the most important discovery since the Industrial Revolution.

Part II

THE NEO-TECH DISCOVERY

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Neo-Tech was unveiled in 1980 by Dr. Frank R. Wallace; his discovery is truly an unbeatable weapon. Neo-Tech is a new, all inclusive catalyst for profiting in any money situation.

As a former professional poker player and author of the world's best selling poker manual, Dr. Wallace first became aware of Neo-Tech through poker. In 1976, while researching and writing an addendum about casino and club games for his best-selling Poker Manual, Frank Wallace used his world-known expertise to ferret out an unbeatable, seemingly innocent approach being used by certain professionals in high-stakes games. Wallace was detecting the beginnings of Neo-Tech.

Gradually, Wallace and his two co-workers uncovered one step at a time the full power of Neo-Tech, which became evermore meaningful as they discovered whole new realms of much more powerful concepts than those used in cards. Those valuable concepts applied to everyday situations — situations in which power makes an enormous difference — in business, social situations, and all other competitive situations. Below are edited segments taken from Wallace's notes during his research:

Dr. Wallace's Confidential Notes

July 1976

I've discovered the never-before-revealed nature of effortless winning while playing poker. This discovery purges the false notions about winning in cards and eliminates its mystical aura. While identifying the origins of that knowledge, I'm grasping its powerful nature.

I feel an addicting power as I begin to do the seemingly impossible. With ease I can make maneuvers to beat all opponents. The techniques come from a new knowledge. ...I've named this knowledge, *Neocheating*.

August 1976

Neocheating is something new — something exciting. The quickness with which I'm learning to acquire winning hands for myself overwhelms me. I feel uneasy about learning to win so effortlessly and quickly — all in a few days. With this lethal knowledge, think what a person could do to his opponents in a matter of days.

September 1976

Neocheating can be executed in peace and without the knowledge of others. I've discovered effective maneuvers for controlling every outcome of every situation. Neocheating is almost too easy and safe, yet it is the most potent form of winning. Indeed, the simpler and subtler the technique, the easier and safer and, therefore, the more effective it is. ...Neocheating renders all other cheating ploys so obsolete that such cheating is no longer an important threat.

I'm glad to be discovering Neocheating before anyone else. Already I have the knowledge to quietly beat even the most skilled and experienced opponents. This knowledge allows everyday players to control opponents at will.

October 1976

I've discovered easy ways to nullify moves made by opponents. I'm struck by the importance of understanding Neocheating. I need that understanding to prosper in situations involving money. Eager with anticipation, I sense that this new knowledge could be incredibly valuable beyond the card tables.

Still I keep discovering more and more invisible techniques that deliver unbeatable advantages in poker, blackjack, and other games. But I'm thinking more deeply of how even the concepts of poker when used through this new discovery apply not only to presidents and their world politics but to everyone, everywhere. I'm grasping how the concepts of Neocheating can be used to gain easy money and power in business, the professions, and government. ...I've named this knowledge when used beyond cards, *Neo-Tech*.

November 1976

With this knowledge, what could a person do in the real world without the boundaries of a card game? Who is the Neo-Tech practitioner? He is an ordinary-appearing person who will soon rule the card tables and perhaps the world. A chill spreads over me. The closer uninformed people observe a Neo-Tech man, the more reassured they become. The Neo-Tech man appears as a most trusting person. But he knows exactly how to win. He creates advantages that remain unnoticeable to his opponents while delivering maximum long-range profits to himself. Quietly he applies his power in small strategic doses to gain steady yet unsuspicious advantages and profits while keeping everyone happy. Thus, the Neo-Tech practitioner is impossible to catch in the act and is hard to avoid. With his subtle yet unbeatable advantages, he can comfortably and *legally* control all aspects of life.

December 1976

Is Neocheating becoming a monster through Neo-Tech? Neocheating *in* cards involves gaining easy money and power over opponents through techniques that meet two criteria: (1) easy to execute, and (2) invisible or undetectable. Neocheating *outside* cards involves gaining easy advantages and power over others by meeting two similar criteria: (1) easy to execute, and (2) not vulnerable to detection or assailable as dishonest.

Once those two criteria are established, Neocheating formats can be established for almost any situation. With such formats, a person not only captures unbeatable advantages over others, but commands shortcuts to profits and power. I'm realizing how many of the most wealthy, powerful, and admired people today consistently use Neocheating formats without ever realizing it — without ever being suspected. I call those people Master Neocheaters. They acquire extreme power and wealth. Such people include trusted heads of states, powerful political leaders, charismatic idols, famous religious leaders, certain prosperous businessmen, international bankers, many of the best-known TV commentators, key journalists, influential editorial writers, Hollywood actors, many well-known authors, certain prestigious professors, many successful lawyers, wealthy salesmen, highly visible environmentalists and consumer advocates, politically or socially oriented scientists — many of the most powerful people in the world. By the mid 80's, essentially every ordinary person who becomes wealthy or powerful in any field will have used this discovery. ...I've got to think about Neo-Tech a lot more. New ways for ordinary people to gain power

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and advantages are bombarding me faster than I can analyze them.

January 1977

The application of Neo-Tech to everyday business and personal relationships is becoming increasingly real. In fact, Neo-Tech can be used in any confrontation involving two or more people. And anyone who crosses the Neo-Tech man's path is in potential danger. The Neo-Tech man can financially and emotionally control whomever he desires. The strength and dimensions of Neo-Tech with its infinite applications reach far beyond my previous thoughts and imagination. In fact, Neo-Tech is growing out of my control.

February 1977

I feel an accelerating pull towards power as I continually discover new ways that anyone can effectively apply this new knowledge to any winning situation — in gaming, business, politics, personal and social life. But I am finding even greater power than I ever before suspected, power that can be used honestly, power that is true to man's nature ... consummate power that is far greater than any Neocheater, even any Master Neocheater . . . synergistic power that belongs to the new-breed Neo-Tech man. This quantum-leap breakthrough will unleash a flood of cornucopias from which sprout endless values that forever feed profits and benefits to the new-breed Neo-Tech man.

March 1977

I am overwhelmed. Everyday, I'm learning more and more to apply new-breed Neo-Tech in all areas of life. I'm discovering how to profit everywhere. New-breed Neo-Tech truly helps a person achieve confidence and happiness while removing the financial and social pressures. New-breed Neo-Tech is truly benevolent while consistently benefitting oneself and others.

April 1977

What have I created here? Can Neo-Tech control all business and personal relationships? Yet, here lies the greatest value of the Neo-Tech Discovery. It is not at all like those inspirational, temporary, self-help type values that usually lead to nothing. Neo-Tech is a permanent value that endlessly grows — a value that grows for the rest of a person's life. People can now use Neo-Tech to live happier, more profitable lives.

May 1977

I'm realizing how the Neo-Tech Discovery can lead anyone to a personal renaissance. Would that eventually mean a world-wide renaissance? ...Could the future of our world depend on others understanding the concepts of the Neo-Tech Discovery?

December 1980

After four years of research and writing, I've come to realize that new-breed Neo-Tech power is permanent and can never be lost to anyone. It obsoletes external authority and renders mystics and Neocheaters impotent. ...The power of Neo-Tech is coming together almost too fast; it is reaching a critical mass on the verge of exploding. But an even greater power is looming — power comparable to black holes in space...mind-boggling power, yet inconspicuous except to those who know about new-breed Neo-Tech.

January 1982

I'm learning the full meaning of Neo-Tech power: All will yield to the new-breed Neo-Tech man. ...Truly great days are coming.

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Until now, information about Neo-Tech had been unavailable. Recently, however, Dr. Frank R. Wallace and his co-workers completed a five-year research project on Neo-Tech and prepared a comprehensive, half-million-word Information Package that fully reveals all facets of the Neo-Tech Discovery. That Information Package reduces the techniques of Neo-Tech into powerful but surprisingly easy formats that anyone can execute in almost any situation.

Wallace's double-barreled discoveries are presented with such clarity and step-by-step detail that you can immediately gain honest profits from most situations as well as forever protect yourself from being beaten by others. But those without the Information Package will never know what is happening. They will always be controlled by those knowledgeable about Neo-Tech. ...Neo-Tech would be anyone's most valuable investment for the 80's.

You can now acquire the complete 454-page Neo-Tech II Information Package for becoming unbeatable in any situation (along with Dr. Wallace's 178-page Neo-Tech I Information Package for becoming unbeatable at cards). Both Neo-Tech I and II describe every step and every situation in detail with over 200 concepts. Many concepts are accompanied with how-to, real-life situations. And each concept is in a crisp, self-contained consultant capsule so that any reader can use Neo-Tech Power to fill his own wants and needs — beginning with Concept 1 — without having to read through the entire package. Also a quick-find index of over one-thousand subjects (found in the consultant capsules) lets the reader go straight to the concepts that apply most to his immediate needs. You can acquire this Package by ordering directly from I & O Publishing Company at the order-processing address shown below:

To receive the 632-page NeoTech Information Package (Neo-Tech volumes I and II), send your check, money-order, or credit-card number including expiration date for $69.95 (manuscript copy) or $100.00 (bound copy) postpaid to: I & O Publishing Company, Inc., Special-Order Department I-12, Box 906, Boulder City, Nevada 89005. The lower-cost numbered manuscript copies contain exactly the same information as the commercial hundred-dollar bound document. These lower-cost Neo-Tech manuscripts are available for 30-days; they are numbered and packaged as printed pages secured together. (Numbered manuscript copies of important documents in any field should be held for future price appreciation.)

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— A Postscript from Eric Savage —

Although I personally interviewed Dr. Wallace about Neo-Tech, I failed to realize the personal benefits Neo-Tech could deliver until I actually received the Information Packages. While opening the cover of The Neo-Tech Discovery (volume I), a feeling came over me that I was embarking on a journey from which I would never return. I felt my life changing on reading the first concept. And each subsequent concept delivered new advantages I never knew existed. Three weeks later on closing the cover of Neo-Tech II, I knew how to capture personal advantages from almost any situation. I had discovered a new world in which power flowed into me as Neo-Tech melted the grip of external authority with all its draining Neocheaters. Today, I control my life and surroundings. I now have limitless earning capacity and can guiltlessly take what I need from life. Moreover, I now have a growing power that no one can take from me — a power that I earned while studying Neo-Tech.

Admittedly, I was unprepared for the array of advantages that Neo-Tech provides. Even after carefully preparing by spending several hours with Dr. Wallace discussing Neo-Tech, I was still unprepared for the Information Package. So what about those people being newly exposed to Neo-Tech without my advantage of having first talked to Dr. Wallace? How will they handle the advantages and power thrust on them by Neo-Tech? The Neo-Tech Discovery began with something so specific and narrow as cards. Yet, Neo-Tech will soon be responsible for changing the world. At the same time, Neo-Tech will bring about a personal renaissance — a journey from which no one will ever return.

(continued)

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ADDENDUM TO THE NTP NEWS REPORT — ADDITIONAL INFORMATION ABOUT THE NEO-TECH DISCOVERY

by Mark Hamilton
Editor
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During Eric Savage's interview with Dr. Frank R. Wallace, other important questions and answers about the subtler powers of Neo-Tech were recorded near the end of the interview. But because of Neo-Tech's dramatic power to create quick advantages, I omitted the latter part of that interview from the NTP News Report. Then, during subsequent weeks, I realized my mistake: Neo-Tech's subtler powers and great personal values will, over the long-term, be even more valuable than the immediate rush of financial gains so easily available from the Neo-Tech techniques revealed in the NTP Report. Therefore, I'm providing the rest of Eric Savage's edited interview:

NTP: Beyond the immediate financial advantages and quick profits available from Neo-Tech, how will the Neo-Tech Discovery affect you and me in the real world . . . in society?

WALLACE: Neo-Tech meets the criteria: easy and safe — but powerful. Therefore, Neo-Tech will increasingly be used in all areas by more and more people. And the lives of those people will grow richer. Of those, some will choose to use Neo-Tech concepts to gain enormous power and wealth. But equally important, people knowledgeable of Neo-Tech cannot be drained by Neocheaters. The ordinary man, no matter how low on the power scale, can reverse the situation. With Neo-Tech, he can take away the power from the Neocheaters who have drained him all his life. That is extremely important since the most powerful external authorities today extract money and power from the masses of unknowledgeable people by Neocheating. For example, essentially every traditionally trusted politician has for years gleaned power by Neocheating the uninformed public without fear of being caught, without suspicion. Indeed, to the extent he is successful is the extent he uses Neocheating. Consider how many of the most successful politicians have for years overly regulated, controlled, and taxed the public — have neocheated the public — for personal power. Their power ploys have created such a jungle of regulations, inefficiencies, and red tape as to hassle busy individuals, cripple creative scientists, and prevent private enterprise from fully developing their productive and technological capacities. That arrogated authority not only diminishes everyone's spirit, but diminishes everyone's standard of living and even prevents the development of cures for diseases such as cancer. More importantly, research on biological immortality . . .

NTP: Wait a minute. Preventing cures for cancer? How can that be so?

WALLACE: Let me relate a personal experience: As a scientist at Du Pont, I was involved in research that offered a unique approach for the treatment of diseases. One potential approach involved the development of extremely fine fibers impregnated with slowly releasing drugs. If such fibers were injected around cancer tumors, for example, the growth of those encased tumors might be retarded or stopped — to lay harmlessly dormant in their man-made coffins forever. But FDA "scientists" and other bureaucratic Neocheaters trying to enhance their jobs and glean prestige killed that and many other promising research projects with time-consuming, prohibitively expensive, self-serving regulations.

NTP: You know, "60 Minutes" recently dealt with something like that. And I hear about that kind of thing more and more these days. How can it be stopped?

WALLACE: Today, as Neo-Tech spreads, people in steadily increasing numbers will be able to, for the first time, avoid the harmful ploys of those external authorities. As the public becomes informed of Neo-Tech, they will be able to identify and circumvent those master Neocheaters who have previously drained them. Now, ordinary people will be able to fill their own pockets with profits rather than lining the pockets of the Neocheaters. Politicians and other authorities will be increasingly understood by the public as more and more people learn about Neo-Tech. I have another chart that demonstrates how most people have unknowingly let their lives be drained by those external authorities. This information also shows how the informed will financially and emotionally benefit by breaking free of those master Neocheaters. Indeed, everyone informed of Neo-Tech will have the tools not only to break free but to profit from the decline of external authority. Furthermore, this information shows exactly how the average person can turn into the new-breed, Neo-Tech man . . . a man who can acquire far greater advantages than any Neocheater — even a master Neocheater.

(See Wallace's chart on back page)

NTP: Your chart uncovers things I was never aware of. It's bad enough that those Neocheaters conceal their ripped-off power, but it's rotten how they're doing it by draining me, you, and everyone else . . . those bastards. Do you see we're the ones who really count . . . we're the new-breed.

WALLACE: That's right. We're the ones who hold the power on this planet. But like you, most people have never been aware of that. Now, with Neo-Tech, you truly can become the new-breed. That's why the Neocheaters never told us their secret, because we would take away their power that is rightfully ours. You, like everyone else could never really know the truth behind external authorities without understanding Neo-Tech. The actions of such external authorities usually depend on Neocheating — on undetectable routes to easy money or power at the expense of others. Like the Neocheater in cards, the external authorities are confident and relaxed; they control their surroundings ; they work in harmony with their natural characteristics; and they know they can never be caught. Furthermore, they seemingly benefit their victims by giving them guidance, leadership, or doctrines to follow — making those victims easy to control. Fortunately, however, publicly revealing Neo-Tech exposes the Neocheater's essence. That could lead to the eventual demise of external authority. ...No longer need you be denied what is rightfully yours.

Indeed, today, you as the new-breed Neo-Tech man never again have to feel helpless. You never again have to be on the defense. You never again have to depend on anyone or anything of the past. You can enter a new world and control your own future. You can become a Clark Kent — a quiet superman. You can gain the real power — the real advantages and profits that few ever knew existed. ...That is the best news.

NTP: Now I know why the Neo-Tech Discovery will immediately . . .

WALLACE: Also, consider another benefit of understanding Neo-Tech: the stopping of the pain and harm caused by certain everyday acquaintances straight up to the authoritarian bureaucrats who surround everyone in almost every area of life. Neo-Tech can abruptly stop the pain and harm caused by being beaten at cards, cheated or exploited by one's spouse, manipulated by parents, drained by bosses, gypped by merchants, intimidated by pushy or monied people, misled by professional people, stunted by dishonest and incompetent educators, used by friends, abused by strangers, fouled up by bureaucrats, fooled by mystics, and hurt by government.

Neo-Tech can truly put an end to all those hurts and diminishments that have constantly kept you from becoming the person you've always dreamed of — the person you were meant to be.

And there are other side benefits. For example, when viewing network TV with the knowledge of Neo-Tech, a person becomes acutely aware of the steady stream of powerful Neocheaters — TV commentators, news editors, sociologists, politicians, educators, nutritionists, faddists, mystical gurus, and religious proselytizers — who constantly gain advantages from their followers in countless subtle ways. Neo-Tech concepts allow people to identify and nullify Neocheaters who drain everyone's life daily.

With the concepts of Neo-Tech, a person nullifies those Neocheaters while transferring their power from them to himself. He no longer needs to bow to or idolize the man-on-the-hill. Neo-Tech allows people to be proud of themselves. With Neo-Tech, a person knows with fearless righteousness that he, himself, is the most important person—and everyone will know it.

NTP: Can you restate what you're saying to bring me back to earth?

WALLACE: The Neo-Tech concepts are practical tools for profits and crucial tools for thinking. Neo-Tech really puts one on the right track. No longer do people have to suffer in silent frustration watching their lives and dreams be quietly drained away. Who hasn't felt that distant, lonely sadness . . .

The Neo-Tech concepts are among the most powerful thinking tools for happiness; they are the cutting edge for prosperity . . . for making those dreams come true. Neo-Tech can rekindle those sparks that flickered out long ago.

NTP: Is all that really true? I mean, does all that really apply to us — to producers who work for a living?

WALLACE: You are the good, the innocent, the powerful. You are the Clark Kents. The days are over of your being defrauded of wealth, pleasure, and happiness. The days are over of being victimized by the politicians, mystics, and pseudo intellectuals. In your innocence, you have unknowingly been drained by Neocheaters. Now, at last, you can break free and take what all productive human beings rightfully earn but seldom take . . . a guiltless life of love, pleasure and wealth. But even more, you can now become the new-breed Neo-Tech man and command your own future.

NTP: That's pretty profound. I'll have to give that some deep thought.

WALLACE: You should. For the more one thinks about Neo-Tech, the more he will profit from it.

NTP: What if I want to profit more and more? What if I get a little greedy? What if I want to become the man-on-the-hill now — through Neo-Tech?

WALLACE: Look at the chart again. Contrary to what you seem to believe, the highest profits of Neo-Tech come not from *destroying* advantages of others, although anyone can do that with Neocheating to gain tremendous power and profits. But the highest profits come from *creating* honest advantages for oneself. Indeed, to any chosen extent, you can apply Neo-Tech to personally gain both immediate and long-range advantages in business, personal life, and social situations . . . the applications of Neo-Tech are endless.

Back to your question about becoming a little greedy. As the first step, anyone can immediately profit by collecting the Neocheating advantages available in any winning situation. Moreover, anyone can use Neocheating to control other people — control even the sharpest, most-alert people. Master Neocheaters use undetectable techniques to gain maximum advantage from every situation to acquire extreme power and wealth. And anyone can use Neocheating to gain easy advantages or profits to any chosen degree. But who needs that? The Neocheater, yes, he can easily do all of that. But the new-breed Neo-Tech man . . . he needs none of that. For him, Neocheating is limiting and obsolete.

Just acquiring the knowledge of Neo-Tech will show you how to reach your goals quickly and easily. You will experience a mounting sense of power and excitement while learning about Neo-Tech. Indeed, through the Neo-Tech Discovery, you too can achieve great strength in your career or field of interest by becoming an honest Neo-Tech practitioner. In addition, you will forever be immune to Neocheaters . . . immune to most harmful situations. And, of course, if you ever decide to play cards seriously, you could leave any game a consistent loser, acquire the Neo-Tech information, and return never to lose again.

NTP: Winning a fortune at cards seems so insignificant now compared to what one can really do with Neo-Tech.

WALLACE: Mr Savage, you're on the way to becoming a new-breed Neo-Tech man.

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NEO-TECH FLOW CHART

(1) EXAMPLES OF MASTER NEO-TECH PRACTITIONERS (which anyone can now become)	(2) NEOCHEATING AGAINST THE UNINFORMED EASY TO EXECUTE (which anyone can now use)	 UNASSAILABLE	(3) NEO-TECH FORMATS FOR THE INFORMED (which anyone can now use to break the masters)
Cards: Unbeatable Neocheater.	Neocheating maneuvers require little skill.	Neocheating maneuvers are so subtle they are invisible.	**Cards:** Knowing about Neo-Tech allows instant identification of Neocheaters. That knowledge allows the informed to avoid, nullify, or even beat Neocheaters.
Business: Many prosperous executives, stock brokers and real-estate brokers, lawyers, J.R. Ewings.	Guide customers or clients into being controlled by superior authority or feelings of trust.	Appear to sincerely work for customer's best interest.	**Business:** Identifying black-hat Neo-Tech practitioners and understanding their techniques provides valuable knowledge that eliminates losses and delivers larger profits by avoiding erroneous assessments and costly decisions. Through white-hat techniques, the little man can quietly profit from any wheeler-dealer.
Money Management: Wealthy international bankers who gain advantages and profits through governments. Prominent trilateralists.	Gain unearned money through manipulating government funds and favors.	Nothing is illegal about their manipulations.	**Money Management:** Knowing how to handle the black-hat Neo-Tech man (especially when he offers an attractive-appearing proposal) provides long-range benefits and peace of mind by avoiding future losses or traps. Also, lucrative short-range gains are available by collecting the set-up inducements from Neo-Tech practitioners then pulling away at the right moment.
Politics: The most powerful and revered politicians, bureaucrats, and government agents.	Live by actions that require little or no productive effort.	Traditionally accepted as good or at least necessary.	**Politics:** Knowing government black-hat Neo-Tech techniques provides powerful tools not only for protection, but for profiting from the actions of politicians and bureaucrats who extract power and money from productive people. Also valuable for reducing taxes and profiting from big government.
Education: Certain prestigious professors, teachers, well-known nutritionists who build careers through ideas based on empiricisms, myths, and mysticism. Intellectual elitists.	Easily manipulate students or followers through the power of authoritarian positions.	The uninformed cannot identify that educators can easily use arrogated authority to build careers and egos.	**Education:** By knowing the black-hat Neo-Tech practices of certain educators, a person can strip the innocent-appearing, ego-enhancing or career-advancing maneuvers from those educators who try to mislead students. Allows people to acquire much better educations.
Mysticism: Many well-known mystical and religious leaders. Inspiring evangelists, Elmer Gantrys. And recently: rational-appearing brilliant neomystics promoting books and therapies based on "self-esteem" and "romantic love".	Requires little effort to extract a respectable living from producers.	They are often blindly accepted as good and needed. Offer good-sounding but spurious or simplistic approaches to "truth". Often falsely link themselves to objectivity, positive emotions, logic, and science.	**Mysticism:** Knowledge of Neo-Tech reveals the essence of mysticism...how most mystical leaders are expert Neocheaters who gain followers by persuading others to accept their doctrines and slogans through their influences, teachings, and spurious testimonials. Neo-Tech knowledge is necessary for avoiding the draining effects of mysticism; for gaining maximum happiness and profits from life.
Social: All Don Juans and most casanovas. Smooth operators.	Control partners through vulnerable emotions.	Others cannot prove insincerity.	**Social:** The Neo-Tech Discovery provides a rapid sorting mechanism for discarding destructive relationships and for winning beneficial relationships that deliver happiness.
Media: Many of the best-known TV commentators, journalists, editorial writers, performers, authors, Hollywood actors.	Create influence by casually twisting facts to guide trusting followers.	Others cannot identify the immorality of such authors, actors, newscasters.	**Media:** Identification of Neocheaters allows an accurate evaluation of literature, TV shows, news programing, media events, movies to permit more accurate and profitable decisions. Understanding Neo-Tech lets one quickly identify the 180-degree inversion of objective values by bad business practices, political or social demagoguery, and mystical illusions.
Science: Chic environmentalists, Naderites, FDA "scientists", and other politically or socially oriented "scientists".	Build careers by using facts out of context. Gain easy prestige with comfortable income and security.	Appear to be acting in society's best interest when actually misusing facts to generate profit or prestige.	**Science:** Knowledge of Neo-Tech allows one to reject, for example, most warnings by government-funded "scientists" of illusionary health and safety risks that result in profit-draining restrictions and regulations. Neocheating that manipulates science and technology damages the productive segments of life to diminish everyone's well-being. ...Knowledge of Neo-Tech permits valid value judgments and delivers peace of mind that most scientifically oriented Neocheaters seek to undermine.

(4)

THE NEW-BREED, NEO-TECH MAN / NEO-TECH POWER

(which anyone can use to become exceptionally competent to benefit himself and others)

The New-Breed in	New-Breed, Neo-Tech Approach for the Average Man (Low-profile, Clark Kent approach)
Cards:	Captures favorable casino-like odds — always. Sure thing — nongambler.
Business:	Creates continuous advantages — can break competitors at will. Locates bigger and better opportunities through Neo-Tech. Controls the rules.
Money Management:	Wins fast — avoids winning too fast. Controls money-flow. Uses *Neo-Tech Factor* to predict investment and stock prices.
Politics:	Manipulates authorities for personal gains.
Education:	Gains Neo-Tech knowledge (regardless of his education or background) for controlling others.

The New-Breed in	New-Breed, Neo-Tech Approach for the Average Man (Low-profile, Clark Kent approach)
Mysticism:	Identifies illusionary thinking in others to gain maximum advantages and to jack up the stakes. Controls the bicameral minds in others.
Social:	Reads everyone, especially important people, through give-away tells. Stymies or benefits others at will. Switches at will between minor and major leagues.
Media:	Expands knowledge at will.
Science:	Uses DTC: the New-Breed's most powerful tool.

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EL SALVADOR: Central America in the New Cold War, edited by Marvin E. Gettleman, Patrick Lacefield, Louis Menashe, David Mermelstein, and Ronald Radosh. Grove Press, 397 pp., $7.95.

Communists and kleptocrats

ROY A. CHILDS, JR.

BY NOW NEARLY EVERYone knows the story of El Salvador, at least in rough outline. Covered only sporadically by the American media until last year, El Salvador has since gained wide attention both here and abroad. For the American right, it was the first test of the newly assertive foreign policy under Ronald Reagan—the confrontation with an alleged case of Soviet and Cuban–inspired revolution. For the American left, it constituted a major revival of the Cold War. In the name of wrongheaded anti-Sovietism, the United States is propping up a right-wing junta that oppresses and murders its own people.

Thus El Salvador has come to seem less an independent nation facing its own very real problems than a symbol of the continuing conflict between the American left and right wings over foreign policy. The Reaganites have seized on El Salvador as if it were another chance to "win" the Vietnam war, while the left exploits the opportunity to play the antiwar role all over again. One sometimes gets the feeling that El Salvador itself is being lost in the shuffle.

The history of this tiny country is in many ways representative of the history of Central and even Latin America as a whole. When the Spaniards conquered Central America in the sixteenth century, they set up a system of virtual feudalism over the conquered people, which was only intensified in later centuries by the introduction of coffee as a major crop and the expropriation of the commons that had remained in the hands of the natives. For the next four centuries, the governmental system thus founded on conquest and legalized banditry proceeded to control all the main currents of economic life, including agriculture, trade, and investment. When Spain lost its American colonies in the nineteenth century, the underlying social system remained virtually intact; the feudal oligarchies continued to control the government and military and, through them, the peasants, workers, and other productive classes. As time went on, the U.S. government made its influence felt in Central America when there was a question of insuring stability or the repayment of foreign debts, or blocking the European powers.

The problems resulting from this combination of class domination and colonialism finally erupted in crisis during the twentieth century. The classical liberal struggle against the old regimes of Europe had barely grazed the Third World, and when that movement expired during World War I, the only radical force that remained to motivate rebellions against the established feudal order was Marxism and other forms of socialism. Marxists gained in strength during the 1920s throughout Latin America. When the depression hit, the economies of Central America were battered by falling export prices, and rebellions, led largely by Marxists, erupted throughout the region. In El Salvador, a mass uprising in the early 1930s was headed by Augustín Farabundo Martí, a founder of the Central American Socialist Party and later a prominent communist. It was brutally put down by government troops, who murdered some 30,000 people. Such acts of violence insured "stability"—which is to say, the continued rule of a feudal oligarchy that was not seriously challenged again until the advances of the Christian Democrats, Social Democrats, and Marxists in the 1960s and 1970s. And intervention by the United States in Central America continued, too. When it was not involved in direct military actions, the United States intervened indirectly through such agencies as the International Monetary Fund, the World Bank, the U.S. Agency for International Development, the InterAmerican Development Bank, and the Alliance for Progress, as well as various forms of military assistance, including the training of Salvadoran troops.

The tragedy of El Salvador, then, is twofold. On the one hand, like much of Latin America, it is ruled by a corrupt and oppressive oligarchy that dominates the government and military, and uses them to suppress its opponents, even by mass killings. This authoritarianism is supported, when need be, by the United States, which has occasionally supported limited "reforms," but nevertheless sees these remnants of feudalism as preferable to the establishment of Marxist or socialist states. But the second tragedy of El Salvador is not so often remarked: It is that the major opposition to this authoritarianism is a movement of radical socialists and Marxists that, if it succeeds in overthrowing the oligarchy, is likely to be no less oppressive of individual liberty and human rights.

WHEN RONALD REAGAN assumed office, and latched on to El Salvador as a supposed "textbook case of communist subversion" and the initial test of his revival of the Cold War, he and Secretary of State Alexander Haig threw down the gauntlet to the American left. By early 1981 the Salvadoran moderates who had joined the junta that overthrew General Carlos Humberto Romero in 1979 had virtually all resigned in protest against the continued dominance of political life by the oligarchy and the military. Half-hearted and sometimes wrongheaded "reforms," including the nationalization of the export and banking industries

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and a much-heralded land-reform program were either scuttled by the military, or, in the case of land reform, used as a pretext to murder peasant leaders. Struggling to overthrow what was portrayed as a "right-wing" junta, was the Marxist-dominated Farabundo Martí National Liberation Front (FMLN), named for the leader of the 1932 peasant uprising. The FMLN wanted to undertake significant political reforms, crush the "death squads" and bring the military under control, and end North American domination of their nation's affairs.

Now, whenever this sort of situation arises anywhere in the world, the international left reacts like a shark scenting blood. In articles, speeches, teach-ins, and demonstrations, remnants of the antiwar movement snapped to attention and began a massive propaganda campaign against the junta in El Salvador and against the Reagan administration's revival of the Cold War.

El Salvador: Central America in the New Cold War is, then, just what we should have expected: an anthology of some fifty-three readings from a variety of sources examining the situation in El Salvador and the American response, edited by five prominent leftists, several of whom performed the same tasks during the Vietnam years. The editors draw on basically two sources: the U.S. State Department and its apologists, like Jeane Kirkpatrick (whose *Commentary* essay "Dictatorships and Double-Standards," included by the editors, secured for her an appointment as ambassador to the UN), and the socialist and Marxist left. The readings really add up to a coherent left-wing argument against the Reagan foreign policy in Central America.

In defending its foreign policy, the Reagan administration is simply no match for the far more talented American left, and the left-wing case made in these readings beats the administration's case hands down. Kirkpatrick's "Dictatorships and Double-Standards," with its revival of the distinction between authoritarian and totalitarian regimes, and its arguments for supporting the former on grounds of national self-interest and the supposedly greater chance that authoritarian regimes have of evolving toward freedom and democracy, is exposed as historically naive and morally myopic. The Haig white paper on El Salvador, reprinted in this anthology, is shown to contradict the very documents the State Department released with it, in critiques drawn from the *Nation* and the *Washington Post* (while, oddly, the in-depth critique of the *Wall Street Journal,* which would have added credibility to the editors' case, is omitted from the collection). Authors claim convincingly that, despite the arguments of Haig and Kirkpatrick, U.S. support for authoritarian regimes is the single greatest force *against* evolution toward reform, freedom, and democratization.

Unfortunately, the positive interpretations of events in El Salvador by

PAT MORRISON

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Some of the contributors want the United States not simply to keep its hands off El Salvador, but to force the junta to the bargaining table in pursuit of a settlement.

leftist authors are in their own way as fatally flawed as those of the Reaganites. For the most part, their essays are confined to reciting their own version of Central American history, often complete with Marxist analyses, or to providing a left-wing alternative that is advanced only slightly more hesitantly than the defenses made of the Viet Cong in its revolutionary prime. The analyses of the injustices in Central America are largely restricted to two points: a condemnation of the murderous violence unleashed by the oligarchs through their death squads and the army, and a critique of inequality of wealth on rather simplistic egalitarian grounds. Virtually none of the really serious critics of the Reagan foreign policy in this collection stops to reconsider, even for a moment, Marxist or socialist analyses, and to look at how these inequities came about through systematic government plunder and intervention.

At times it almost seems as if it is impossible for leftists to see the situation without their ideological blinders. In one chapter, two of the book's editors, David Mermelstein and Louis Menashe, write that "revolutionary regimes in Latin America—or the threat of such regimes coming to power—always send waves of anxiety throughout sections of the U.S. business community. Such regimes are committed to taking hold of their national economies through planning and nationalization, and to breaking traditional ties of dependence to external markets and sources of capital." The authors seem utterly unaware that in this statement they are condemning free trade, foreign investment, and the international division of labor per se. Their implied economic prescriptions entail a reverse jingoism, economic autarchy, and a worsening of the living standards of the already very poor people of Central America. Moreover, the smug acceptance of nationalization and state planning of the economy simply glosses over the reality of what is happening. The use of collective or holistic terms like states "taking hold of their national economies" ignores the fact that government planning merely forces people to subordinate their own plans to those of the state apparatus.

THE ANALYSIS OF EL SALvador and other Central American countries presented here would have been enriched immeasurably by a reading of Stanislav Andreski's work *Parasitism and Subversion: The Case of Latin America*. For while class analysis plays an important role in Andreski's account, it is not on the familiar Marxist theory that he builds, but rather on the older and richer class-conflict theory of the early French classical liberals, like Charles Comte, Charles Dunoyer, Augustin Thierry, and Antoine Destutt de Tracy. Marxism differentiates classes by their relationship to the means of production. In contrast, Andreski points out, the earlier class analysis, looks at classes according to *how they gain wealth*: the economic means of production and free exchange, or the political means of state expropriation and parasitism. The essential problem in Central America (indeed in all of Latin America) according to Andreski is state-fostered parasitism. One of the consequences of this has been the development of what he calls kleptocracy, a system of all-pervasive graft, corruption, and literal direct theft.

Andreski shows that the real difficulties in Latin America, the poverty and social upheavals, have arisen not from free-market capitalism, but from the "parasitic involution of capitalism." The power of the state, of its bureaucrats, technocrats, militarists, and various other privileged classes, is so widespread that the surest way to gain wealth is not service to the consumers, but the use of the rawest political means of expropriation.

Unfortunately, in America the left's hostility to private property and the market is so intrinsic to its analysis that its standard solution to the problems of Latin America is to *increase*, rather than decrease, state power over the economy. If an old oligarchy has used the state apparatus to bring under its own control entire sectors of the economy, like banking, utilities, and international trade, leftists generally want to transfer them to a revolutionary state apparatus, which then supposedly will *democratically* dominate. The possibility of abolishing monopoly control of the economy entirely, either by oligarchs or by revolutionaries, escapes them. Thus the alternative is set up: Either accept the status quo and endorse Reagan's support for its oppression and brutalities, or champion the Marxist-led revolutionaries, who will get rid of the old oppressor class and replace it with a new one.

And the odd thing is that in many instances the left-wing critics are not even really opposed to U.S. intervention. It is not unusual to find groups like the Committee in Solidarity with the People of El Salvador calling for an immediate cutoff of U.S. aid to the Salvadoran junta and an immediate restoration of U.S. aid for the Sandinistas in Nicaragua. Walter LaFeber criticizes the intervention in El Salvador, but seems to support what he calls "appropriate" military intervention in the case of a Soviet invasion of Western Europe or of Middle Eastern oil fields. Some contributors want the United States not simply to keep its hands off El Salvador, but to force the junta to the bargaining table in quest of a political solution. Aid to right-wing despots is attacked while, for example, Michael Harrington supports a "vast transfer of wealth from the advanced to the developing societies." Since this must be done through governments, it would lead to a massive increase in the power of Third World governments vis à vis their own citizens. How this would foster democracy in the Third World, Harrington neglects to tell us. This sort of naivete runs through the book. The editors show a remarkable innocence, for example, when they take dictator Fidel Castro at face value and reprint one of his attacks on the Reagan administration for *its* opposition to democracy.

While the Cold War right pretends that free enterprise rather than feudal-

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ism and kleptocracy prevail in Latin America and endorses U.S. intervention on behalf of "pro-American" regimes, the left can only support socialist and Marxist alternatives. But unless these false gods of left and right are both overturned, unless this joint left-right hegemony over political discourse is broken, monumental disaster threatens in our foreign policy and indeed in the lives of the peoples of Central America and much of the Third World. Certainly no one has a recipe for creating a truly free system in societies that have never known one. But for Americans who would help, the starting point must be rejection of political and military meddling in their affairs and, at home, repudiation of the stale political categories that have held us all hostage. ❑

A FLAG FOR SUNRISE, by Robert Stone. Alfred A. Knopf, 439 pp., $13.95.

THE SAFETY NET, by Heinrich Böll. Alfred A. Knopf, 299 pp., $13.95.

Uneasy agnostics

JOHN GORDON

Both novels scrutinize the modern world's condition by means of a narrator who confidently snakes in and out of the minds of a large cast of thinking characters.

NOTES FOR THE TIME CAPsule: December 20, 1981. I write this as Vichyism is being reimposed in Poland under the sponsorship of a regime that officially believes the state will wither away shortly after its ideology triumphs universally; as the Golan Heights are being seized by order of a prime minister who believes in his nation's divine destiny to own all the land claimed in the collected press releases of an ancient tribe of nomadic sheepherders; as our president, who believes that trees leak poison and that Russians eat sawdust, having been popped some months ago by a fellow who believed he would thereby win the heart of a teenaged movie star, is being guarded from the fabled hit squad of a man who believes himself to be the chosen vessel of Allah. My country's foreign policy is in the hands of a man who believes that sinister forces erase tapes and that American nuns in Central America carry weapons under their habits; its economy is largely in the hands of a young man who has publicly acknowledged that only an ignoramus would believe in the prospects for the program he is putting into effect; its land is in the hands of a man who believes that his Maker is coming any day now and that it would be a shame not to chew up as much territory as possible before D-day. If I turn for solace to that weekly anodyne, the Sunday *Times,* I can choose between the op-ed page, there to receive counsel from a man, William Safire, who believes in the integrity of Richard Nixon, or the book review section, the cover of which features a flattering picture of a woman, Adrienne Rich, who is on record as believing that all males are child molesters. When I talk to our hope for the future, the college students I teach, I find that they believe mainly in a mushy idea of Providence and that the more raffish among them are intrigued by the doctrines of defunct punkers, who believed in impaling themselves with safety pins, and of the Rastafarians, who believed in the immortality of Haile Selassie. Then he died. They still believe in it.

When men cease to believe in God, Chesterton observed, the problem is not that they will believe in nothing, but that they will believe in anything. In these two surreal, somber novels, Heinrich Böll (winner of the Nobel Prize) and Robert Stone (author of *The Dog Soldiers,* which won, and deserved, the National Book Award in 1975) both attempt to educate their readers away from such seductions. Both novels are epistemologically panoramic, scrutinizing the condition of the modern world by means of a narrator who confidently snakes in and out of the minds of a large cast of thinking characters, gauging their baffled attempts to make the world about them cohere. Both are political novels, concerned mainly with that region of politics that intersects with morals, and both repose, ultimately, on an uneasy agnosticism, as articulated by spiritually exhausted protagonists who find themselves forced to maneuver through particularly nasty microcosms of the modern world.

In *A Flag for Sunrise,* that microcosm is Tecan, a Central American banana-company satrapy whose greedhead generalissimos, having discovered exportable minerals beneath the dirt farms of their peasants, have in effect destabilized the countryside, with the by now familiar consequences: massacres, guerrillas, the threat of revolution, the CIA. The evocation of this place in all its dolorous sordor, its impasto of Graham Greene, Franz Kafka, Horace Walpole, and the "CBS Evening News," is a splendid accomplishment. The airport features a sign "that marked off the number of days since the last fatal accident" on the theory that Americans will find this reassuring ("They were always picking up North American public relations notions and getting them slightly wrong"); an upper-crust party is "like a Dracula movie but without the class"; the military ruler keeps a pet albino dwarf who chews off the private parts of political enemies; a leper, for a joke, wears a "Kiss me" T-shirt; the local agent of the *Guardia Nacional,* who has a corpse in his freezer, demands absolution at gunpoint from an alcoholic priest, who is harboring a murderer of children.

Stone's Tecan is a tangle of true believers and embodied appetites spitting dogmas, curses, and bullets at one another, a maze through which the galumphing middle-aged protagonist, Frank Holliwell, while drinking too much and thinking too much, doing and pretending not to do the CIA's

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business, strews his trail of crumbs. Everyone in the novel is given his or her day in court, even the *Guardia* agent with the corpse in his freezer, even the amphetamine-besotted psychopath on whose frazzled impulses the novel's denouement—and Tecan's future—come to depend.

IS THERE A MORAL? PERHAPS a provisional one, as delivered by Holliwell near the end of the book, remembering his Vietnam background and applying it to the events in Tecan:

> Apparently it was his fate to witness popular wars; Vietnam had been a popular war among his radical friends. As a witness to that popular war he had seen people on both sides act bravely and have their moments. Popular wars, thrilling as they might be to radicals, were quite as shitty as everything else but like certain thrilling, unperfected operas—like everything else, in fact—they had their moments. People's moments did not last long.

As Vietnam is to the events of *A Flag for Sunrise,* so is the Third Reich to the events of Heinrich Böll's *The Safety Net*—the memory in relation to which all that happens in the present is aftermath. The setting is contemporary West Germany against the backdrop of "the total destruction of all values by Nazism," a Germany in which prominent industrialists are the special targets of terrorists. The "safety net" of the title—no connection to the Reaganite coining—is the security network of police protecting the lives of Fritz Tolm, newspaper magnate, and his far-flung, frequently suspect family. The net is necessary because of the dumb, crummy, lost war with which Tolm, like Holliwell, will always be associated. Because of that event, Tolm finds himself, in his sixties, looking out like Macbeth on a landscape in which not only the young but the very woods seem marching on him in Oedipal wrath, and any bird might be a flying bomb:

> Presumably it was possible to develop remote control mechanical birds which, filled with high explosives, would suddenly switch to horizontal flight and fly through an open window bearing havoc in their artificial breasts, in their artificial bellies. With the exception, he supposed, of swallows, sparrows, crows. But pigeons, perhaps, starlings, storks, and wild geese—whole flights, all mechanical, all bearing havoc, and he found himself saying, to Bleibl of all people: "Even the birds of the air aren't to be trusted anymore."

The "safety net" of the title is multiply significant: Tolm's terrorist enemies are also a net (they control the birds and the children), as is his family, as is the structure of the book, which throughout shunts from one center of consciousness to another among an extraordinarily intricate and complex network of characters: about a hundred important names in fewer than 300 pages, each with his or her own center of integrity. There is little narrative, virtually no lyricism or narrative editorializing, nothing but ganglia and the synapses between them, closing or not closing: one revenant after another after another, tenuously webbed together according to rules which for some reason require that some shall seek to destroy the others. As in *A Flag for Sunrise,* there is no commanding center—only the brain's deranged circuitry.

Frank Holliwell and the generation of Americans he represents may think that Vietnam was disillusioning, but when it comes to disillusionment, *The Safety Net* shows that Europe remains the varsity. The Americans of Stone's novel think that they have looked into the depths when they have encountered the corrupt junta and renegade priests of their undistinguished little grungehole; Fritz Tolm by contrast takes for granted the possibility that his eight-year-old grandson may have been trained to butt him to death with his head.

The news notwithstanding, my students continue to believe in Providence—as do I, I suppose, and as do most of us. So did the traditional novel, for a long time; most people's idea of a well-done novel is still one that demonstrates convincingly that the way things are shown to work out is the way they *had* to work out. Now here come these two novels—both of them moving, powerful, well crafted, and depressing as all hell—with their blurry borders, their dissonant medley of voices, their rooted distrust of anyone's connection of "is" with "ought" or "ought" with "must," to remind us of how fictional are such fictions. At a time when this country's most vocal true believers are busily convincing one another that nuclear war, if it comes, will have been inevitable and therefore Providential, part of God's holy plan for mankind, such negations of purpose can seem awfully close to sanity.

It is now December 21, the first day of winter, four days before Christmas, and the news is pretty much the same. Ho ho ho. ❏

THE GRAVES OF ACADEME, by Richard Mitchell. Little, Brown, 256 pp., $10.95.

Who's teaching the teachers?

SAMUEL L. BLUMENFELD

IF YOU WANT TO DISCOVER, IN a concise, learned, and delightful way, why the American system of public education is rotten to the core, you'll have to read Richard Mitchell's *The Graves of Academe.* Mitchell does in one fell swoop what many of us have been trying to do in a dozen scattered shots: explain convincingly why our schools are in the mess they are. He succeeds because he himself comes from the source of the pestilence—the teachers colleges. Thus he can state with first-hand knowledge what the rest of us have only been able to infer: that American teacher education is at the heart of the problem.

Richard Mitchell comes to his subject with some very special credentials. He is a professor of English at Glassboro State College, the New Jersey campus where a once famous but forgettable summit meeting between Lyndon Johnson and Aleksei Kosygin took place. He is also the writer and publisher of the *Underground Grammarian,* a kind of samizdat publication that reaches the outside world from Gulag Academica, giving us a harrowing look into what is going on in the insulated domain of teacher training. As a dissident, Mitchell displays all of the characteristics we have come to associate with that condition; he writes with indignation, sarcasm, wit, humor, despair, and the sense of being trapped among the enemy.

Originally, he created the *Underground Grammarian* in 1976 as a vehicle for exposing and ridiculing "examples of jargon, faulty syntax, redundancy, needless neologism, and any other kind of outrage against English" of which the educationists were guilty. Pretty soon he was paying special heed to the productions of the American

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teacher trainer, whose use of a befogging, tangled, ungrammatical jargon, he concluded, was calculated to hinder the work of the mind rather than facilitate it. Moreover, that convoluted jargon had become the official language of the entire educational profession.

Going beyond that discovery, Mitchell uses some of his essays in this book like numbered dots in the comics, to outline "the great invisible hulk of the beast, the brooding monstrosity of American educationism, the immense, mindless brute that by now troubles the waters of all, *all* that is done in our land in the supposed cause of 'education.' "

The task of education in a free society, asserts Mitchell, is to cultivate what Jefferson called the "informed discretion" of the people so that they can exercise their freedom and control their government wisely. "Any fool can see, eventually," writes Mitchell, "the danger to freedom in a self-confessed military dictatorship, but it takes informed discretion to see the same danger in bland bureaucracies made up entirely of decent people who are just doing their jobs."

But American education has nothing to do with informed discretion. The educational bureaucracy has been taken over by the half-blind and the half-witted, and they are in the process of creating a nation of ignorant, ill-informed, and undiscriminating citizens easily manipulated "by the recitation of popular slogans and the appeal to self-interest, however spurious."

MITCHELL CONTENDS THAT two influences were most instrumental in leading our educationists down the road to ruin. One was Wundtian behavioral psychology, in which teaching and learning are viewed in terms of psychological stimuli and responses. Its integration into our educational system was the beginning of a process of dehumanization in which the mind was left out of the learning process. The second was the adoption in 1913 by the National Education Association's Commission on the Reorganization of Secondary Education of a set of seven cardinal principles that rejected elitist, undemocratic notions of education in favor of something called "preparation for effective living."

The result of all of this has been a downgrading of intellectual discipline (the cognitive domain, the teachable subjects, the independent mind) in favor of socialization (the affective domain, the unteachable pseudo-subjects, the collectivized mind). The commission—or Gang of Twenty-Seven, as Mitchell calls them—"made concrete and formal the anti-intellectual dogmatism that characterizes our schools today."

If the half-blind and half-witted are now running the educational bureaucracy, then it is in their interest to turn out sightless and witless citizens who are convinced that they are actually educated.

If the half-blind and the half-witted are now running the educational bureaucracy, then it is in their interest to turn out sightless and witless citizens convinced that they *are* educated, for then you can make them "collaborators in your disposition of their liberty and property. That is the institutionally assigned task . . . of American public education." Thus what seems to us to be a failure is in the eyes of the bureaucrats a resounding success.

Meanwhile, our teacher trainers have developed a very large vested interest in failure. "Barely literate children may be suffering and facing whole lives of deprivation," writes Mitchell, "but consultants and remediationists and professors of reading education and tax-supported researchers and the editors and publishers of workbooks and handsome packets of materials are doing very well indeed and looking for ever better days to come."

The most entertaining parts of the book are where Mitchell mercilessly takes apart some of the pronouncements of the educationists. These alone are worth the price of admission. He takes on sex education, values clarification, holism, "humanisticism," and some other choice aberrations of the profession. He does a job long overdue. He is outraged that our cultural and intellectual leaders permit such perversion of language to permeate the entire teacher-training profession. But then he observes that our intellectuals "have trained themselves to imagine that the dull business of public education has nothing to do with their high endeavors"—like chasing each other through the pages of the *New York Review of Books*. So they have turned the whole thing over to the mediocrities.

Under the circumstances, who can blame Mel and Norma Gabler, the Texans who publish their much-consulted moral evaluations of American textbooks? Or any other layman for taking on the educational establishment? Who else would bother? At least the fundamentalists have the stomach for it.

WHAT'S THE SOLUTION? H. L. Mencken once suggested that we hang all the professors and burn down the schools. Not very practical, says Mitchell.

Then what about a voucher system? Mitchell has reservations: "It does assume, contrary to evidence, that the ordinary American parent knows what an education is and prizes it, and it will provide lucrative opportunities for even more fools and charlatans than the schools now harbor." I disagree. Private schools are rarely started by fools or charlatans. They are usually started by dedicated parents, disaffected public-school teachers, or educational entrepreneurs, few of whom would tolerate for very long the nonsense promulgated by the government teacher-trainers.

Mitchell is also wrong when he contends that "a free society is impossible without a free, public, universal system of education." He overlooks the fact that for this country's first fifty years no such system existed or was even necessary, and literacy was far higher then than it is today. The irony is that the public-school movement billed itself as a "crusade against ignorance." Now we would settle for minimum competence, if we could get it.

But these are minor points in a book that should be read for its devastating look into our most important and best hidden cultural institution. As Mitchell puts it, quite bluntly: "School is America. If you want to predict the future of our land, go to school and look around." God help us all. ❑

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FILM

REDS, directed by Warren Beatty.

Mission to Moscow

STEPHEN HARVEY

WHEN BERNARDO BERTOlucci's *1900* premiered at the New York Film Festival in 1977, that director soberly expressed his pleasure at the "dialectic" he had wrought through casting such Hollywood fixtures as Sterling Hayden, Donald Sutherland, and Robert De Niro as Emilian peasants, fascists, and gentry. "Some call it dialectic," muttered one wag-about-Manhattan of my acquaintance, "others call it sellout." It was easy to get a mirthful charge out of this spectacle of he-stoops-to-conquer proletarian politics, set off by a package of such impeccable screenland luxe. Four years later, Warren Beatty's *Reds* would seem to have *1900* way outflanked where labyrinthine self-contradiction is concerned, yet somehow the result, though exasperating at times, is far from ludicrous.

Still, it is puzzling. After all, Gulf and Western has lavished some $40 million of its hard-earned capital on a vehicle for two stars who heretofore represented randy boyish egotism and winsome girlish dizziness, united for the occasion to incarnate those radical renegades of yesteryear, John Reed and Louise Bryant. And all this at a moment when the political sympathies exposed, if not precisely espoused, by the scenario, happen to be in their foulest odor among the film's potential domestic audience than at any time in the past quarter-century. Moreover, for all its irony-flecked paeans to the ideals of freewheeling "progressivism," *Reds* really triumphs as the summation of that lacquered pizazz that has always been one of Hollywood's glories. Where *1900* was a one-dimensional mismating of Mao and Verdi, *Reds* is a juicy two-dimensional historical romance—David O. Selznick with a social conscience. As the movie's producer, director, star, and, with Trevor Griffiths, co-screenwriter, Warren Beatty must have had a consuming personal commitment to this project; yet *Reds'* most indelible trait is a kind of dogged, dispassionate professionalism uninflected by any personal quirks on the part of its creator.

Despite the grandiose scale of this movie, Beatty's bead on his fictionalized protagonists is disarmingly modest. The very first voices we hear, those of an elderly man trying to recall whether the events he's rummaging for took place in 1913 or in 1917, and of a genteel aged lady serenely informing us that "You know, things go and come back again," set the prevailing tone of the movie—the past is elusive, memories are fleeting mirages, and all interpretations of bygone people and their motives have as much to do with the angle of vision from which they were recorded as the events they presumably reflect.

Beatty's one really audacious ploy in *Reds* was to intersperse his narrative with snippets of head-on interviews with what the movie terms "the witnesses"—survivors of the Reed era, many of whom, including Roger Baldwin, Henry Miller, George Jessel, and film historian Arthur Mayer, have actually expired since. These figures, ranging from the legendary to the unidentifiably obscure, exemplify a myriad of ideological and temperamental hues, from Rebecca West's witty musings on the exaggerated erotic legends that surround the famous, to Hamilton Fish, Sr.'s, prideful recollection of his role in the deportation of politically irksome aliens such as Emma Goldman. (Adela Rogers St. John, movie gossip chronicler practically since the days of Thomas Alva Edison, is the most breezily skeptical of all—she barely remembers who John Reed was and doubts he ever amounted to very much anyway; in other words, Reed and Bryant were hardly a couple to be conjured up in the same breath with Garbo and Gilbert.) Throughout the film, these observations on Reed and his time complement and contradict each other, serving both as emphasis and ironic counterpoint to Beatty's fictionalized treatment of the mercurial Reed-Bryant relationship.

Perhaps Beatty was himself rather daunted by the welter of conflicting testimony he uncovered, because among the leading performances, his alone seems to lack flesh and specificity. His Reed goes beyond photogenic enigma into the realm of antiseptic vacuum, as if Beatty feared committing himself to too confining a vision of the character. Very little about the way he moves, looks, or sounds differentiates this hero from past Beatty star turns; it's really a tastefully soft-pedaled version of his usual screen specialty, the tousled, eager-beaver American lad whose energy is subverted by his own muddled ambitions. It might as well be noted that just about everybody in this movie, save Maureen Stapleton as Emma Goldman, is about a decade too old for the roles they're playing, persuasive though their work generally is. At forty-four, Beatty is belatedly a movie dreamboat in transition; his youthful aura has just begun to be effaced by the years without yet being supplanted by any marked traces of maturity. In a medium like the movies, in which anatomy is destiny, neither Beatty nor the character he's playing has that palpable immediacy that makes for truly forceful acting; ironically, his performance is the one area in this supremely accomplished movie that betrays a lack of assurance on Beatty's part.

As a director of other actors, however, Beatty's instincts are nearly infallible. He's done masterly work here in stripping away the idiosyncratic ties from a roster of notoriously mannered performers. Diane Keaton has been derided in some quarters for allegedly playing Louise Bryant as a kind of Annie Hall in hobble skirts, but I rather think this misses the point; as an actress Keaton may be just a charming lightweight, but then, at least as Beatty has conceived her, Bryant is herself something of a flighty dilettante with aspirations of fulfillment beyond her station. Until she finds her métier two hours into the picture as a reporter and lecturer on the Russian Revolution, Bryant is a creature of shallow convictions proclaimed with stentorian resolve. She asserts her independence as a woman and an artist, yet brays with

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wifely outrage when Reed leaves the hearth to follow his individual pursuits, and she bristles indignantly when Reed, who the film claims was the best political journalist of his generation, dares to comment on the paltry output she's produced. It's the character who's irritating, not to mention politically unfashionable, at a time when pop-culture feminists tend to be painted in primary strokes of stalwart, unbowed fortitude. I cannot gauge how closely Beatty's Louise approximates the historical Bryant, but it's precisely her fallibility that makes this character poignant, and Keaton's pained asymmetrical face tellingly communicates the contrary facets of Bryant's nature.

In like manner, Maureen Stapleton eschews her usual repertoire of darting gestures and fluttery quavers to present an Emma Goldman of clear-eyed, matter-of-fact bluntness. Curiously enough, the real figure of audience identification turns out to be the character of Eugene O'Neill, with whom Bryant had a fleeting liaison in the early days of the artists' colony at Provincetown. The contrast between O'Neill and the Reeds is positively bracing. Where John and Louise tend toward voluble broadsides of impassioned commitment, O'Neill's skepticism is vented in pithy monosyllables; his work is too important and painful a subject for him to trivialize by idle pontification. Artistic personages are notoriously tricky subjects for the movies, but Beatty's treatment of O'Neill as a terse, bitter pragmatist is extraordinarily vital, thanks largely to the blistering slow burns and long-savored pauses that Jack Nicholson contributes to the part. (Somebody also had the wit to cut away from him every time that patented demonic leer began to settle around his mouth.)

IF REED AND BRYANT COULD be said to have been borne away by the momentum of the historical events of their age, their fictional equivalents are likewise overwhelmed by the densely packed onslaught of incidents that this movie contains. *Reds* covers a formidable amount of territory, in a literal sense, as Reed and Bryant's fortunes lead them from Portland, Oregon, to New York's Bohemia, Cape Cod, Petrograd, and Finland, with occasional domestic layovers at Croton-on-Hudson; along the way, the two encounter pacifism, trade unionism, the birth-control crusade, the experimental theater movement, Soviet bolshevism and American left-wing factionalism, and government repression. Due to the brisk tempo of Dede Allen's editing (she is helped by an army of assistants only slightly less numerous than the revolutionaries who laid siege to the Winter Palace), *Reds'* three and a half hours pass with remarkable quickness. What's remarkable about the script is its skill in conveying a bewildering array of historical information and ideological wranglings, without ever seeming to oversimplify it all—at least by the debased standards of the celluloid epic. *Reds'* second half is largely devoted to the three-way split that rent the American socialist movement in the early twenties, and the increasing rigidity of the Soviet model (epitomized here by the figure of Zinoviev, played with chilling hawk-faced impassivity by the novelist Jerzy Kosinski). Through their sure grasp of cinematic shorthand, Beatty and company establish all this with a sharpness and gusto that, to put it mildly, have scarcely ever before been lavished on movie treatments of political ferment. (Much of the strength of the writing in these passages should probably be attributed to Griffiths; a playwright mostly known to New York audiences for his *Comedians,* he is also the author of a much respected dramatic work on the life of Gramsci and the formation of the Italian Communist party.) The evocative texture of Vittorio Storaro's photography also does much to lift these sections of the film out of the realm of didactic abstraction; unusually for a period piece, nearly every scene imparts the feeling of lived-in space, without the retrospective glaze most cinematographers pass over their lens to conjure up the past.

If Beatty shows a heartening faith in the audience's capacity to absorb all this, he overcompensates somewhat in the patness of some of the intimate interludes between Reed and Bryant. As if to reassure us that, Bolsheviks or no, we're still in the presence of a "real" movie after all, *Reds* is seasoned with a number of all-too-knowing cute touches—a darling mutt trying to join the fun during the Keaton-Beatty love scenes, Beatty's Desi Arnaz-y slapstick mishaps in the kitchen. The lovers' reconciliation scenes every third reel are illustrated by the most banal of perfume ad imagery—blurry heads in silhouetted close-up surrounded by a golden aureole—as they murmer endearments to each other, accompanied by Stephen Sondheim's tinkly piano. Beatty clearly is more comfortable with scenes of conflict, whether personal or global, than with expressions of sentiment: The most arresting sequence between Reed and Bryant is their first domestic spat, filmed in a series of jaggedly intercut shots of Beatty and Keaton hurling invective at each other. The slush that intermittently clogs this film is but the most dispiriting proof of what a conventional movie mind Beatty really has. As it turns out, this is both *Reds'* salvation and its most severe limitation. The main prerequisites of a movie epic are that it be lively, absorbing as well as expansive, and, most of all, accessible, none of which are necessarily the fortes of the artist with an intense personal vision to impart. In style, *Reds* is the ne plus ultra of anonymous expertise, and Beatty, in his well-measured neutrality, never intrudes between us and Reed. Such meticulous virtues are not exactly the stuff that deathless movies are made of; still, when you consider how many extravaganzas have turned out to be elephantine stillbirths, *Reds* looms as an abundantly engrossing achievement indeed. Beatty's determination and his earnest and intelligent craft may be no substitute for genius, but in the current impoverished climate for American movies, it will have to suffice until the real thing comes our way. ❑

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